

W o r k P l a n a n d B u d g e t

FY 2004-05

When the
well's dry,
we know
the worth
of water.

BENJAMIN FRANKLIN

sfwmd.gov

South Florida Water Management District

Distinguished Budget Presentation Award



*The Government Finance Officers Association presents
the District with the Distinguished Budget Presentation Award*

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the South Florida Water Management District for its annual budget for the fiscal year that began October 1, 2003. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, financial plan, communications device and an operations guide.

This award is valid for one year. We believe our current budget continues to conform to program requirements, and we are submitting our FY2005 budget to GFOA to determine its eligibility for another award.

Guide to the Budget and Work Plan Document

Welcome to the South Florida Water Management District's (District) FY2005 Work Plan and Budget. The descriptions below will give you a brief view of the content in the document's five sections.

Section A

Executive Summary

The Executive Summary provides an overview of the District and its budget. Also included is information about the District's Governing Board and executive management team, and a budget message from Executive Director Henry Dean that details the major changes, priorities and issues reflected in this document.

Section B

Work Plan and Budget

The Work Plan and Budget section contains resource area mission statements, activity descriptions and FY2004 to FY2005 budget variances for the five District resource areas. Additionally, the section includes FY2004 accomplishments; FY2005 objectives; budget resources and trends; strategic goals; and performance measures for each of the 10 District programs that work together to fulfill the District's overall mission.

Section C

Financial Overview

The Financial Overview section includes details about the District's financial principles, philosophies, processes and structure. Revenue forecasts and trends, and a debt summary are also found in this section.

Section D

Long-Range Plans

The Long-Range Plans section contains the District's mission, vision and values, program policies, long-term goals, program-to-goal linkages and an economic outlook for the community the District serves. The section also includes a 10-year financial forecast and the Capital Improvements Plan, which contains major capital project details and funding sources.

Section E

Appendix

The Appendix provides general information that supports the details found in the rest of the Work Plan and Budget. The section contains information on taxes that is of interest to property owners, a list of the property appraisers in the District's area, a sample tax notice, narrative on how environmental factors affect District services, a glossary, a list of acronyms and abbreviations, and a guide to other useful District documents.

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SOUTH FLORIDA WATER MANAGEMENT DISTRICT

3301 Gun Club Road, West Palm Beach, Florida 33406 • (561) 686-8800 • FL WATS 1-800-432-2045 • TDD (561) 697-2574
Mailing Address: P.O. Box 24680, West Palm Beach, FL 33416-4680 • www.sfwmd.gov

October, 2004

To the Residents of Central and Southern Florida:

To provide a road map for the detailed FY2005 budget process, the South Florida Water Management District (District) developed and approved its first-ever comprehensive Strategic Plan – a 10-year plan of action for carrying out long-term agency programs and priorities. In turn, an annual Work Plan was developed with specific deliverables, milestones and success measures for projects to be accomplished in FY2005. The approved budget contained in this document links directly to that Work Plan. It includes funding that will allow us to fulfill our broad resource management responsibilities and several clearly defined priorities, which are detailed below.

Our FY2005 adopted budget totals \$792.3 million, with no increase in millage rates or full-time staffing levels. This balanced budget is funded from a variety of revenue sources. For FY2005, ad valorem tax revenue represents 47.4 percent of the total budget. State and federal revenues, permit fees, the Everglades Agricultural Area privilege tax, and other sources make up the remaining 52.6 percent. The District has successfully held tax rates steady for eight consecutive years.

In a letter to Governing Board Chair Nicolás Gutiérrez, Florida Governor Jeb Bush commended the District for creating a long-term Strategic Plan and annual Work Plan tied directly to the annual budget. He also recognized that our budget continues to focus on the District's core mission of balancing and improving water quality, flood control, natural systems and water supply.

Budget Development Issues and Constraints

Over the past several years, the District has been faced with a growing list of challenges and developments. These include increasingly complex partnership arrangements between federal, state, local, tribal and private entities; pressures to complete ecosystem restoration and clean-up projects; ensuring adequate water supplies for the growing population within our 16-county jurisdiction; upgrading the aging Central and Southern Florida water management system to provide adequate flood control; and modifying outdated, redundant business practices to incorporate rapidly changing technological advancements.

In preparing the FY2005 budget, we also faced a number of parameters and constraints:

- No increase in District millage rates
- No increase in full-time permanent staff members or leased positions
- Budget allocations must be linked to expected service levels, program goals and desired outcomes
- Emphasis on revenue enhancements and grant opportunities
- Outsource when it makes good business sense
- Everglades clean-up ad valorem funding to remain at 0.1000 mill
- \$100 million of ad valorem funding to be directed toward the Comprehensive Everglades Restoration Plan (CERP)

GOVERNING BOARD

Nicolás J. Gutiérrez, Jr., Esq., *Chair*
Pamela Brooks-Thomas, *Vice-Chair*
Irela M. Bagué

Michael Collins
Hugh M. English
Lennart E. Lindahl, P.E.

Kevin McCarty
Harkley R. Thornton

EXECUTIVE OFFICE

Henry Dean, *Executive Director*

An extraordinary hurricane season brought multiple storms into the District's 16-county region, affecting agency facilities and staff alike, just prior to FY2005 budget adoption. That unprecedented experience will likely require adjustments and/or realignments in approved Work Plan expenditures as hurricane damages are fully assessed and remedial action takes place.

In October, the Governor announced plans for the acceleration of Everglades clean up and restoration. This action and the resulting change in emphasis will require the District to move ahead with design and construction of eight major restoration projects, and cause CERP work plan and project schedule adjustments.

Actions Taken to Address Issues

We have made tremendous progress on a number of resource management fronts by preparing for and recovering from four major hurricanes, accelerating our Everglades restoration efforts, updating regional water supply plans, and refurbishing the water management system of canals, levees and water control structures.

Throughout the course of the FY2005 budget planning and development process, the agency also made tremendous strides to further improve and strengthen our financial management and planning efforts. The District uses a programmatic, outcome-oriented approach to build its annual budget. In a streamlining move, we consolidated 23 previous programs into 10. This makes for a more effective, less time-consuming process that limits budget detail to the most material items.

A major shift for the agency was the implementation of a strategic business cycle that fully integrates and links long-term strategic direction with annual work plans, budgeting and performance reporting.

Early in the process, the Governing Board was presented with revenue projections covering a 10-year planning horizon. Based on that financial forecast, the Board identified initial funding priorities for the next decade. That action set into motion the development of a comprehensive Strategic Plan based on 10 programs and seven key priorities. The Strategic Plan will be reviewed each year prior to budget development, specifically for strategy alignment, success, shortfalls and opportunities for improvements. These long-term strategies provide the framework for annual work plans and shape the budget that supports them.

Follow-up performance tracking and reporting will provide the public with a report card on agency progress toward completing projects and achieving goals. Work is also underway to develop common data sources (i.e., a data warehouse) to ensure reporting consistency and integrity. Standardized project management training and implementation, coupled with more reliable, real-time data will assist project managers in making accurate projections and completing tasks.

An improved and powerful enterprise-wide management software has been acquired and will be implemented in FY2005. This will significantly aid in the integration of various business/management systems and databases that now operate as part of discrete and separate processes.

The hurricanes of 2004 left indelible impressions on both the landscape and the people of Central and South Florida. While the regional water management system performed with distinction under extreme circumstances, the aging infrastructure suffered damage and work will be required during FY2005 to stabilize eroded canal banks and to make critical structure repairs. The District will work closely with the Federal Emergency Management Agency (FEMA) and the Natural Resources Conservation Service (NRCS) to assist with funding for post-storm recovery.

FY2005 Priorities

As part of the strategic business cycle, the Governing Board identified seven agency priorities. To expedite achievement, these priorities are given planning, budgeting and implementation emphasis:

Build Three Reservoirs Through Public/Private Partnerships

The District is expediting construction of three major water storage facilities as part of the Comprehensive Everglades Restoration Plan (CERP). These facilities will alleviate high water levels in Lake Okeechobee, and reduce the need for discharges to the coastal estuaries. The use of public/private partnerships has been explored as a way to enable the District to increase its cash flow flexibility and expedite project completion. Announced in October 2004, the District will also accelerate design and construction on five other Everglades restoration projects.

Achieve Everglades Water Quality Standards

The District will complete construction of all Everglades Construction Project components and implement the Long-Term Plan to ensure that all waters discharging into the Everglades Protection Area are in compliance with state water quality standards.

Acquire Land for Kissimmee River Restoration

The District will acquire all identified Kissimmee River Restoration and Headwater Revitalization Project lands by December 2005 in order to proceed with construction of further backfilling phases with our federal partner, the U.S. Army Corps of Engineers.

Reduce Phosphorus Inputs to Lake Okeechobee

The District will continue to implement the Lake Okeechobee Protection Plan. This plan details the components necessary to meet the total maximum daily load of 140 metric tons of phosphorus to Lake Okeechobee by 2015, as required by legislation. Major projects include watershed management, exotic plant control, regional restoration projects and lake restoration assessment.

Refurbish the Regional Water Management System

The District's regional water management infrastructure — repeatedly tested during an active hurricane season — is reaching its life expectancy for structural components and machinery. Planned refurbishments include capital projects, canal and levee maintenance, major gate and pump station overhauls, structure and pumping operations refinements and maintenance. Repairing hurricane-damaged facilities will take precedence in FY2005.

Implement Water Supply Plan Recommendations

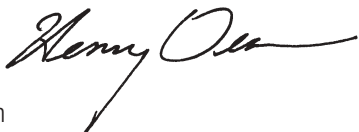
The District's focus is to partner with local governments and utilities that construct water resource projects, and increase support for alternative water supply projects and water conservation. Implementing water supply plan recommendations will ensure that adequate water supply is available to meet current and projected environmental and human water needs.

Continue to Recognize the Value of Employees

The District will continue to implement strategies to hire and retain a high-performance, team oriented, diverse workforce that is engaged, motivated and focused on achieving agency goals.

While 2004 brought many challenges and opportunities to the 16-county region, this FY2005 budget prepares the South Florida Water Management District to face the resource management challenges of another year!

Sincerely,



Henry Dean

Governing Board



Nicolás J. Gutiérrez, Jr., Esq.
Chair

County Served:
Miami-Dade
Term:
March 2004–February 2008



Pamela D. Brooks-Thomas
Vice Chair

County Served:
Broward
Term:
March 2002–March 2006



Irela Bagué

County Served:
Miami-Dade
Term:
March 2003–March 2007



Michael Collins

Counties Served:
*St. Lucie, Martin, Palm Beach,
Broward, Miami-Dade and Monroe*
Term:
March 2002–March 2006



Lennart E. Lindahl, P.E.

Counties Served:
*St. Lucie, Martin, Palm Beach,
Broward, Miami-Dade and
Monroe*
Term:
March 2001–March 2005



Hugh M. English

Counties Served:
*Collier, Lee, Charlotte, Hendry,
Glades, Osceola and
Okeechobee*
Term:
March 2001–March 2005



Kevin McCarty

County Served:
Palm Beach
Term:
March 2003–March 2007



Harkley R. Thornton

Counties Served:
*Glades, Highlands, Okeechobee,
Orange, Osceola and Polk*
Term:
March 2004–February 2008



Trudi K. Williams, P.E.

Counties Served:
*Collier, Lee, Hendry and
Charlotte*

The ninth Governing Board seat is currently vacant. This seat was formerly held by Trudi K. Williams at the time of FY2005 budget adoption. She was elected to the state legislature in Autumn of 2004.

The District's Governing Board sets policy and direction for the agency. These nine individuals, each representing specific geographic areas within the District, are appointed by Florida's governor and confirmed by the Florida senate. Board members serve without salary for a term of four years and appointments are made as vacancies occur. The Board elects its own officers, including a Chair and Vice Chair.

The 1976 legislative amendment creating water management districts also established two Basin Boards within the District's boundaries:

The Big Cypress Basin Board

This Board oversees water resource issues within Collier County and a small portion of Monroe County.

The Okeechobee Basin Board

This Board oversees water resource issues in all remaining counties within the District's boundaries.

District Governing Board members sit on the two Basin Boards and set policy and direction within the Basins.

Executive Management Team

Governing Board members are responsible for appointing the District's Executive Director and Inspector General. The Florida senate confirms the Executive Director's appointment.



Henry Dean
Executive Director

Henry Dean, a veteran water manager, was appointed District Executive Director in July 2001. As head of the state's largest regional water management agency, he oversees a staff of nearly 1,800 employees. Dean is responsible for carrying out the policies set by the Governing Board, performing overall executive management and leading the agency toward the successful accomplishment of its mission.



Carol Wehle
*Assistant
Executive Director*

Carol Wehle chairs the District Leadership Team, which addresses management issues and organization strategies. In addition, she is responsible for day-to-day operation, oversight and decision-making, and provides direct support to the Executive Director and Governing Board.

Deputy Executive Directors



Pamela S. Mac'Kie
Land Resources



Chip Merriam
Water Resources



George L. Horne
Operations and Maintenance



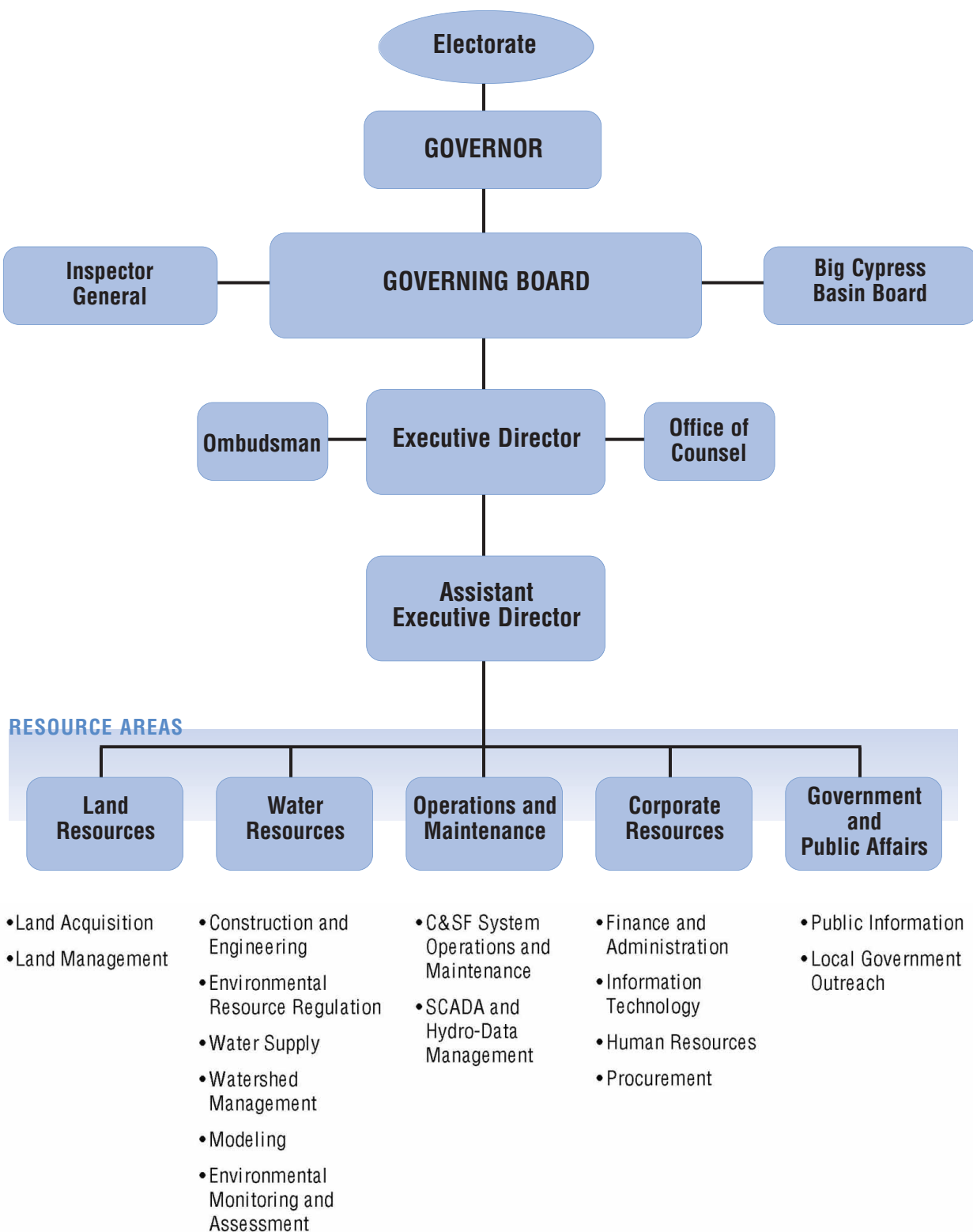
Thomas W. Olliff
Corporate Resources



Alvin B. Jackson, Jr.
Government and Public Affairs

The Deputy Executive Directors (DED) ensure that agency implementation of the Strategic Plan and annual Work Plan complies with guidance from the Executive Director and the policies established by the Governing Board. The DEDs provide input on Strategic Plan policy and strategy development, and coordinate implementation of policy directives within and across their respective resource areas.

Organization Chart



District Personnel

Management values District personnel as one of the agency's most vital resources. To ensure a workforce that plays a key role in achieving the District's mission long into the future, management strives to attract and retain employees who share the agency's emphasis on quality.

In FY2005, District staff consists of 1,771 Full-Time Equivalent (FTE) employees. An additional 18 people fill leased positions, which are short-term positions that support special projects on a limited-time basis. While FTEs remained the same as in FY2004, leased positions decreased by 13. Of the 1,771 FTEs, 41 percent are scientists and engineers, 20 percent are craftspeople, 14 percent are professionals or technical personnel, 10 percent are administrative personnel, 7 percent are information technology personnel, 6 percent are managers and 2 percent are legal personnel.

Personnel by Program

Although the following table displays positions for each program, employees sometimes move from program to program to satisfy District priority needs or as Work Plan adjustments occur:

Program	FY2003 Positions		FY2004 Positions		FY2005 Positions	
	FTE	Lease	FTE	Lease	FTE	Lease
Coastal Watersheds	31	4	29	2	38	1
Comprehensive Everglades Restoration Plan (CERP)	175	6	169	13	158	5
District Everglades	186	21	182	5	180	5
Kissimmee Restoration	45	4	46	3	45	1
Lake Okeechobee	51	8	46	5	55	5
Land Stewardship	43	1	56	-	52	-
Operations and Maintenance	570	-	570	-	569	-
Regulation	182	-	180	-	186	-
Water Supply	79	2	76	1	70	1
Mission Support	409	2	417	2	418	-
Total	1,771	48	1,771	31	1,771	18

* Note: "Lease" positions represent leasing-agency employees who perform project-specific tasks of limited duration. This column represents only leasing-agency employees and not other contractors who perform work for the District.

Personnel Changes

The following District programs experienced personnel changes for FY2005:

Comprehensive Everglades Restoration Plan Program

The decreases in the Comprehensive Everglades Restoration Plan (CERP) Program are due to the District and the U.S. Army Corps of Engineers accelerating the pace on eight CERP restoration projects. Also, outsourcing has increased, resulting in less District staff being needed for the design and construction of these projects.

Coastal Watersheds

The increases in the Coastal Watersheds Program are due primarily to expanded activity for flood management planning, including FEMA projects and flood forecasting. In addition, the workload and FTEs associated with Florida Bay and the Florida Keys, which were assigned to a different program last year, were included in the Coastal Watersheds Program for FY2005.

Lake Okeechobee

The increases in the Lake Okeechobee Program are due primarily to expanded participation in the program by the Water Supply Department, the Office of Modeling, the Environmental Resource Assessment Department, Supervisory Control and Data Acquisition, and Hydrologic Data Management for the revised Works of the District monitoring program. In addition, FTE support was added from the Land Acquisition Department, and participation was expanded from Engineering and Construction for the design and construction of the Lemkin Creek and Nubbin Slough STA expansions.

Regulation

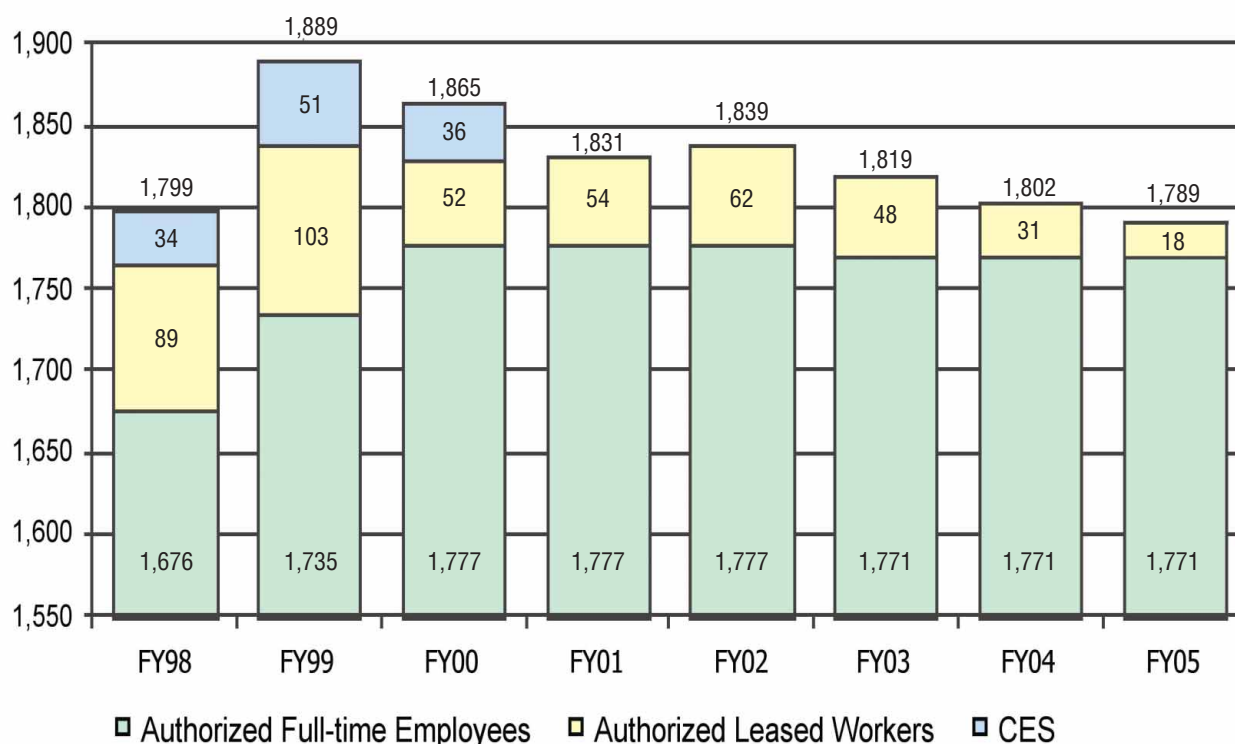
The increases in the Regulation Program are due primarily to the addition of staff members, who were redirected from the Water Supply Program to the Regulation Program to help with the increased workload on the agriculture-basin water-use permit renewal effort.

Water Supply

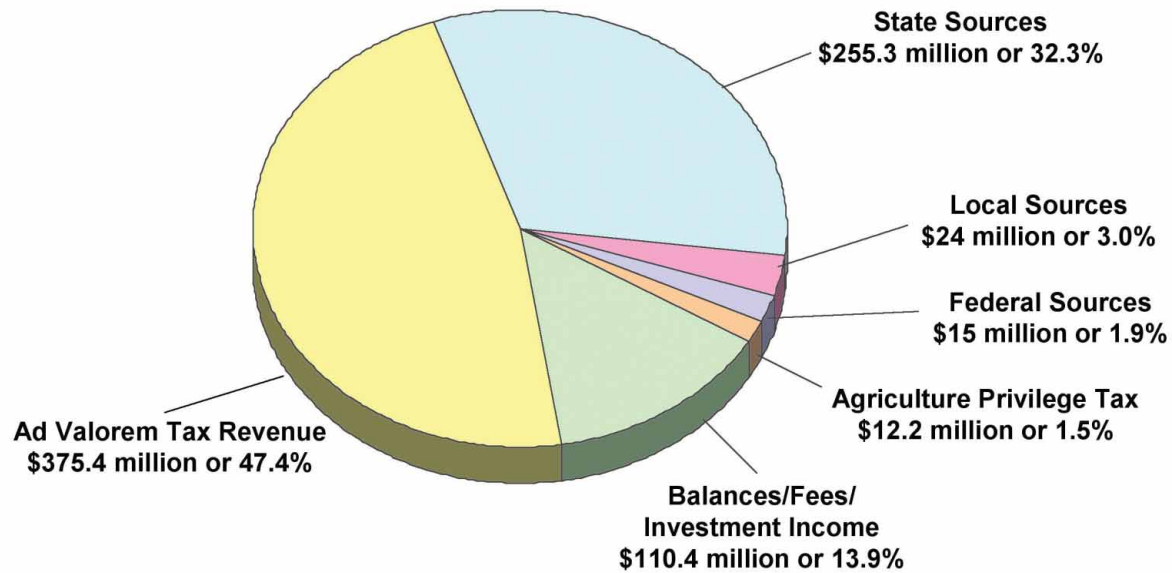
The decreases in the Water Supply Program are due primarily to the redirection of staff members from the Water Supply Program to the Regulation Program to help with the increased workload on the agriculture-basin water-use permit renewal effort.

Total District Staffing

Full-time positions have remained nearly constant for the last five years. Leased or part-time workers have decreased from 52 positions in FY2000 to 18 in FY2005 because some activities previously supported by leased employees are now completed or outsourced. Staff for the Center for Environmental Studies (CES) worked on scientific projects until FY2000, when the CES contract came to an end. The following graph depicts the change in total District staffing over the last eight years:



Where the Money Comes From



Total Revenue \$792.3 Million

The chart above depicts the District's revenue sources and the percentage of total revenues each represents. The estimated revenue sources for FY2005 total \$792.3 million.

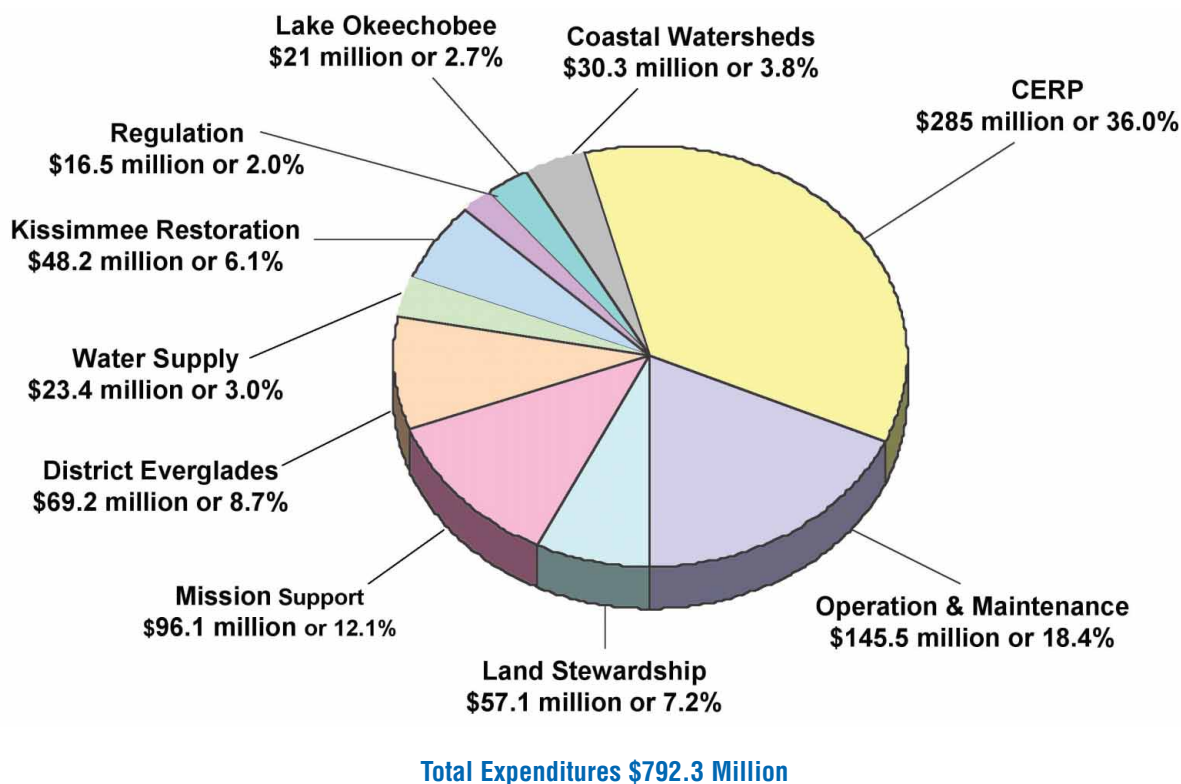
The primary source of District revenue comes from taxes (\$387.6 million), which are comprised of ad valorem property taxes (\$375.4 million) and agriculture privilege taxes (\$12.2 million). As part of the strategic-priority-setting process, ad valorem property taxes are determined by applying Governing Board-approved millage rates to taxable value estimates provided by county property appraisers. Agriculture privilege taxes are assessed on actively farmed agricultural acreage in the Everglades Agricultural Area (EAA) and the C-139 Basin, as mandated by the Everglades Forever Act.

The next largest revenue source is intergovernmental (\$294.3 million), which is comprised of federal (\$15 million), state (\$255.3 million) and local (\$24 million) funding. The majority of federal funds come from the Federal Emergency Management Agency (FEMA) and the U.S. Fish and Wildlife Service. Principal state funds come from the Florida Forever Program and the Save Our Everglades Trust Fund. Local funds are anticipated primarily from Martin County, with additional funding from Collier and Miami-Dade counties.

The remaining \$110.4 million in revenue comes from a combination of available fund balances from FY2004; licenses, permits and fees; and investment income. The licenses, permits and fees revenue includes income from the sale of license tags, regulatory and right-of-way permits or fees, and mitigation projects. The investment earnings are a result of the prudent investment of funds not immediately needed for current operations.

Please see the Financial Overview section of this document for more detailed information on the District's revenue budget.

Where the Money Goes



The chart above depicts the District's expenditures for the programs that work together to fulfill the District's mission. The anticipated expenditure total for FY2005 is \$792.3 million.

The Comprehensive Everglades Restoration Program (CERP), and the Operations and Maintenance Program are the two largest program expenditures, totaling \$430.5 million or 54.3 percent of the total budget. Following are the FY2005 key activity highlights for these two programs and the other eight programs that comprise the remaining 45.7 percent of expenditures:

CERP

CERP represents 36 percent of the budget at \$285 million.

FY2005 Key Program Highlights

- Design will begin on the C-43, C-44 and EAA Reservoirs.
- Project implementation reports for Acme Basin B, Southern Golden Gate Estates and Indian River Lagoon will be completed.
- Plan specifications, design and other work will begin for Hillsboro Aquifer Storage Recovery, Caloosahatchee Aquifer Storage Recovery Pilot, L-8 Reservoir, Allapattah Ranch, G-161, M-Canal, Western Tamiami Trail and Lake Trafford.
- The Southern Corkscrew Regional Ecosystem Watershed (CREW) Critical Restoration Projects and Western C-11 Water Quality Improvement Project will be completed.

Operations and Maintenance

The Operations and Maintenance Program represents 18.4 percent of the budget at \$145.5 million.

FY2005 Key Program Highlights

- Construction on 52 capital improvement projects will be completed.
- Overhauls of 27 pump stations and gate structures, and preventive maintenance on approximately 300 pieces of equipment will be completed.
- Electronic communications will be installed on 121 environmental monitoring sites and maintenance will be performed on 900 sites.
- Approximately 30,000 acres of levees and canal banks will be maintained and 47,000 acres of aquatics and exotic vegetation will be treated.



Inflow pump station

Coastal Watersheds

The Coastal Watersheds Program represents 3.8 percent of the budget at \$30.3 million.

FY2005 Key Program Highlights

- Implementation of St. Lucie River Issues Team projects and the Westport Wastewater Treatment Plan Reuse Project in the Southern Indian River Lagoon will continue.
- Restoration planning and initial water reservation technical work for the Loxahatchee River and Estuary will be completed.
- Development of technical criteria for Minimum Flows and Levels (MFL) for South Biscayne Bay, Florida Bay and the Florida Keys will be completed.
- The Gateway Triangle Stormwater Project in Naples Bay and the Four Corners Project in Caloosahatchee River/Watershed will begin.
- The Charlotte Harbor Surface Water Improvement Plan document will be completed.

District Everglades

The District Everglades Program represents 8.7 percent of the budget at \$69.2 million.

FY2005 Key Program Highlights

- Construction of the Chapter 298 District diversions and Stormwater Treatment Area (STA) 3/4 will be completed.
- Construction on S-5A Basin runoff diversion works and the G-371 and G-373 diversion bypass structures will continue.
- Updating of water quality data for each basin in the Phosphorus Source Control Program will be completed.
- A research project on the recovery of impacted areas of the Everglades Protection Area will be designed and implemented.
- Research and monitoring for Loxahatchee Impoundment Landscape Assessment and Everglades Botanical Research Compound will be performed.

Kissimmee Restoration

The Kissimmee Restoration Program represents 6.1 percent of the budget at \$48.2 million.

FY2005 Key Program Highlights

- Acquisition of 95 percent of the lands needed for Kissimmee River restoration will be completed.
- The Kissimmee watershed model will be updated.
- Performance measures for the Kissimmee Chain of Lakes Long-Term Management Plan will be completed.
- Construction of the Pleasant Hill Regional Stormwater Improvement project will continue.
- Improvements will be made to enhance East Lake Tohopekaliga flood control.

Lake Okeechobee

The Lake Okeechobee Program represents 2.7 percent of the budget at \$21 million.

FY2005 Key Program Highlights

- Annual submerged aquatic plant surveys, the control of cattail expansion into key fishery habitats and the dredging of Taylor Creek tributaries will be completed.
- Approximately 2,000 acres of invasive torpedo grass and 500 acres of melaleuca will be treated.
- Research will be conducted to find improved methods for exotic species plant control.
- Site optimization, design and permitting for Nubbin Slough STA expansion will be initiated.
- Land acquisition and design for the Lemkin Creek urban stormwater project will be initiated.
- Funding will be provided to the City of Pahokee to improve its wastewater treatment plant.



Land Stewardship

The Land Stewardship Program represents 7.2 percent of the budget at \$57.1 million.

FY2005 Key Program Highlights

- Management plans for Allapattah, Kissimmee River and Model Lands will be developed.
- Stewardship management plans for Shingle Creek and Nicodemus Slough will be updated.
- Invasive exotic plant control on approximately 31,000 acres of District lands will continue.
- Public access and recreation policies for the Stormwater Treatment Areas will be implemented.
- Over 500 acres of degraded habitat in the Shingle Creek, Lake Kissimmee and Kissimmee River project areas will be restored.

Mission Support

The Mission Support Program represents 12.1 percent of the budget at \$96.1 million.

FY2005 Key Program Highlights

- The level of awareness regarding District programs will be increased by disseminating information, building relationships, and partnering with local governments and communities.
- Workflow efficiency, project management improvement and data disaster-recovery plans will be implemented.
- Water quality monitoring networks will be optimized.
- Implementation will begin on new computerized business systems.
- Healthy workforce initiatives will be developed and implemented.

Regulation

The Regulation Program represents 2 percent of the budget at \$16.5 million.

FY2005 Key Program Highlights

- Water use e-permitting will be initiated and water use renewals for the Lower West Coast Basins A, B and C will be implemented.
- Review of an estimated 2,300 Environmental Resource Permit (ERP) applications will be completed.
- Approximately 8,500 compliance inspections will be conducted.
- Review of approximately 1,900 water use permit applications and an average of 1,200 compliance investigations will be completed.
- Ninety percent of current ERP construction certifications, and partial ERP delegation to Miami-Dade and Collier Counties will be completed.



Water Supply

The Water Supply Program represents 3 percent of the budget at \$23.4 million.

FY2005 Key Program Highlights

- Water supply plans for the Kissimmee Basin, Lower East Coast and Lower West Coast will be updated, and an economic analysis of identified water supply plan options will be completed.
- Local government comprehensive plan amendments and evaluation/appraisal reports will be reviewed.
- Design of top-ranked projects for the Regional Irrigation Distribution System (RIDS) will be completed.
- Technical documents for establishing MFLs in Florida Bay, Biscayne Bay and Lake Istokpoga will be prepared.
- Water conservation efforts will continue, including the Mobile Irrigation Lab Program and the Water Savings Incentive Program.
- Alternative Water Supply and Water Resource Development partnership projects will be implemented.

Please see the Work Plan and Budget section for detailed information on individual programs.

History

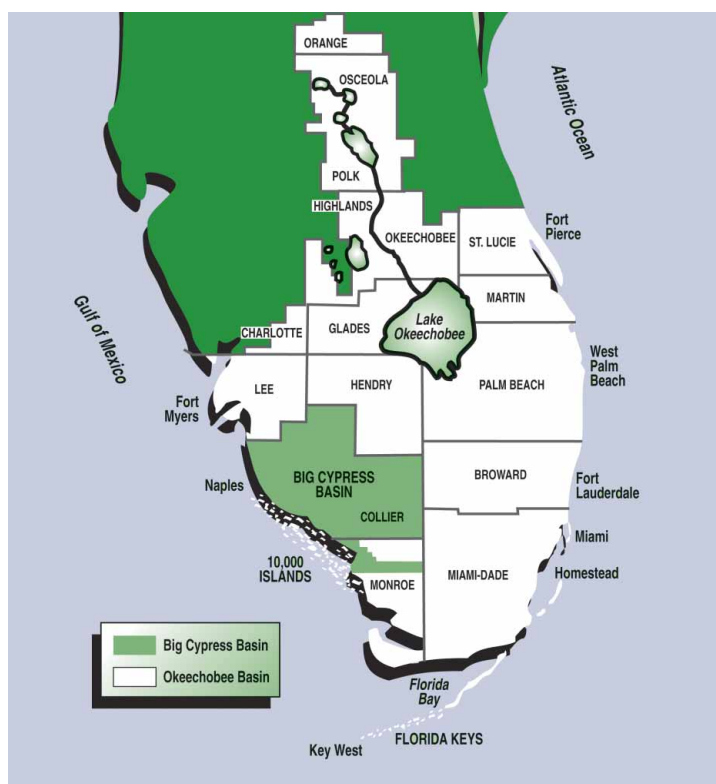
In 1948, the U.S. Congress adopted legislation creating the Central and Southern Florida Flood Control Project (C&SF), which marked the beginning of organized water management efforts in South Florida. This legislation was spurred by efforts to populate the “new frontier” that was South Florida, and to address the region’s subtropical weather extremes, which include hurricanes, floods and drought. The C&SF’s primary goals were to serve the needs of growing agricultural and urban populations, and to protect and manage water resources. To address the C&SF’s goals, the U.S. Army Corps of Engineers (USACE) built a vast network of water control structures, levees, canals and other improved waterways, designed to help the region cope with its unpredictable weather extremes.

In 1949, the Florida Legislature created the Central and Southern Florida Flood Control District (FCD) to act as the local sponsor for the C&SF. Its function was to operate and maintain the water control network with funding from property taxes levied within District boundaries. Years later, the Florida Water Resources Act of 1972 triggered a significant change in the state’s approach to natural resource management. This legislation divided the state into five regional water management districts and greatly expanded the responsibilities of the existing FCD. It also included greater emphasis on water quality and environmental protection initiatives. When the FCD was renamed the South Florida Water Management District (District) in 1976, new boundaries were drawn to encompass the region’s primary watersheds.

Since 1949, the District has grown into a diverse agency that addresses many water-resource-related issues, including flood and water supply protection, enhanced water quality for urban and rural use, and restoring and managing natural ecosystems.

Boundaries

District boundaries are based on natural, hydrogeologic basins, rather than political or county limits. This allows for efficient water planning and management. The boundaries of the District encompass all or part* of 16 counties, covering a total area of 17,930 square miles, spanning from Orlando to Key West (see map). Approximately 6.9 million people live within the District’s boundaries.



Counties within the District

Broward	*Charlotte	Collier
Glade	Hendry	*Highlands
Lee	Martin	Miami-Dade
Monroe	*Orange	*Osceola
*Okeechobee	Palm Beach	*Polk
St. Lucie		

There are two primary basins contained within the District’s boundaries – the Okeechobee Basin and the Big Cypress Basin. The Okeechobee Basin is based on the sprawling Kissimmee-Okeechobee-Everglades (KOE) ecosystem, which stretches from Central Florida’s Kissimmee Chain of Lakes to Lake Okeechobee, south to the Florida Keys. It includes 700,000 acres in the Everglades Agricultural Area, the heavily developed southeast coast and the Everglades National Park. The Big Cypress Basin includes all of Collier and part of Monroe counties, the Big Cypress National Preserve and the 10,000 Islands.

District Functions and Major Responsibilities

The District is a multi-faceted agency with a core mission of providing flood control. Its responsibilities, however, have increased greatly since its creation. The District's functions now incorporate operating and maintaining the C&SF, developing and implementing water supply plans, providing ecosystem research and monitoring, regulating water use, purchasing land for preservation, and implementing ecosystem restoration plans. In addition, District staff conduct environmental monitoring and assessment, develop the budget, produce public outreach materials, and oversee financial, legal and contractual services. The District has also been charged with integrating, managing and implementing the Everglades Construction Project (ECP) and the Comprehensive Everglades Restoration Plan (CERP).

The adopted budget includes 1,789 positions, comprised of 1,771 full time and 18 leased positions. Employees are located at facilities across the District's 16-county jurisdiction to provide the public more direct and responsive access to permitting and other agency functions. Locations include eight field stations in Okeechobee, Kissimmee, West Palm Beach, Clewiston, Fort Lauderdale, Naples, Miami and Homestead. District Headquarters are in West Palm Beach, with service centers located in Fort Lauderdale, Fort Myers, Naples, Stuart, Miami, Orlando, Okeechobee and Islamorada. The Big Cypress Basin Service Center and Field Station are located in Naples. Operations and policies for the Basin are directed by a six-member Basin Board and are carried out by staff under the direction of the Basin administrator.

Operations and Maintenance

Operations and Maintenance (O&M) staff is responsible for routine and emergency operations and maintenance of Works of the District, including the C&SF, the ECP and the evolving CERP. O&M functions include operating and maintaining structures, gates, pump stations, canals and levees in the C&SF project for flood control, and in the Stormwater Treatment Areas (STAs) for water quality restoration. Also, O&M personnel control nuisance vegetation in all District-managed rights-of-way, canals, lakes and wetlands, and provide continuous surveillance of hydro-meteorological conditions.

District personnel operate and maintain the originally designed C&SF, which is one of the world's largest public works projects. It includes approximately 1,969 miles of canals and levees (1,800 miles in the C&SF Project and 169 miles in the Big Cypress Basin), which are controlled by 500 District water control structures and 50 pump stations used to send water south and through waterways eastward and westward to both coasts. These pumping stations move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection.

Regulation

The District has a number of regulatory programs designed to protect the region's water resources. Under the state's 1993 environmental streamlining legislation, land alteration activities or works affecting water resources are regulated under one type of permit – the Environmental Resource Permit (ERP). Pursuant to statutory direction, the District and the Florida Department of Environmental Protection (FDEP) have adopted uniform wetland delineation, mitigation banking and environmental resource permitting criteria. The District also regulates the consumptive uses of water. The types of activities regulated by the District include:



Stormwater run-off

Water Resource System

The District is responsible for the following surface water systems:

- Projects with impacts on wetlands or other surface waters (dredge and fill)
- Surface Water Improvement and Management (SWIM) for the Works of the District
- Use of District lands, canals or levee rights-of-way
- Taking water from lakes, canals, streams or aquifers
- Drainage system construction or operation
- Well construction

Upper Chain of Lakes and Kissimmee River

The Upper Chain of Lakes and the Kissimmee River are the northernmost components of the greater Everglades system. The 56-mile channelized (Canal 38) Kissimmee River connects Lake Kissimmee and Lake Okeechobee.

Caloosahatchee River

The Caloosahatchee River stretches 67 miles, from Lake Okeechobee west to the Gulf of Mexico at Fort Myers.

St. Lucie Canal

The St. Lucie Canal is Lake Okeechobee's eastern outlet, extending 25.5 miles from Port Mayaca to the south fork of the St. Lucie River.

Water Conservation Areas

Three Water Conservation Areas (WCA) and the Everglades National Park comprise about 50 percent of the original Everglades. These WCAs are located in the western portions of Palm Beach, Broward and Miami-Dade Counties and encompass 1,337 square miles.

Lake Okeechobee

Lake Okeechobee and its watershed are key components of South Florida's ecosystem. The lake spans 730 square miles and is the second largest freshwater lake located wholly within the United States.



Lake Okeechobee Rim Canal

Everglades Restoration

For 50 years, the C&SF provided management oversight for the Florida Everglades. The current CERP program was created when the Federal Water Resources Development Acts of 1992 and 1996 gave the U.S. Army Corps of Engineers (USACE) the authority to re-evaluate the performance and outcomes of C&SF activities. The plan that resulted from the USACE review and recommendations includes six pilot projects and 56 co-sponsored components spanning 38 years, with costs shared equally between state and federal government. The program incorporates the capture, storage and redistribution of fresh water previously lost to tide, and the regulation of the quality, quantity, timing and distribution of water flows.



Spraying aquatic vegetation

The Everglades Forever Act (EFA), passed by the Florida Legislature in 1994, directed the District to acquire the land, design the program, obtain permits and construct a series of STAs to reduce phosphorus levels from stormwater run-off and other sources before it enters the Everglades Protection Area. To facilitate this goal, the ECP was established. One of the largest environmental restoration public works projects in the nation, it is estimated to cost approximately \$836.2 million over 20 years. Major funding sources include ad valorem property taxes, agricultural privilege taxes, state land funds, federal funds, Alligator Alley toll revenues and other environmental mitigation funds.

The Everglades restoration plan also includes the Restoration Coordination and Verification program (RECOVER), designed to ensure that high quality science is continuously available during implementation of the overall restoration plan. RECOVER

encourages the participation of diverse agencies and stakeholders in adaptive management and ongoing plan refinement.



Other District Responsibilities

The District's responsibilities extend far beyond regulatory programs, Everglades restoration, water supply planning and implementation, and flood control operations. The following activities also fall under the District's authority:

Land Acquisition

The District acquires, manages and restores lands through Florida's Save Our Rivers (SOR) and Florida Forever land acquisition programs.

Surface Water Improvement and Management

Surface Water Improvement and Management (SWIM) programs are ongoing for Lake Okeechobee, Biscayne Bay and the Indian River Lagoon.

Kissimmee River Restoration

Restoration of the Kissimmee River – the headwaters of the Everglades – is a major District initiative.

Inter-agency Coordination

Partnerships and coordination with other agencies are ongoing and help support water resource development projects, development of alternative water supplies, water conservation, re-use and stormwater management goals.

Research, Data Collection and Analysis

Research, data collection and analysis help ensure District projects and programs are effective and efficient.

Emergency Operations

Emergency operations and management is a cornerstone of District operations, especially during hurricane season or in times of drought.

Invasive Plant Control

The District is a leader in melaleuca, aquatic weed and other exotic plant control.



Introduction

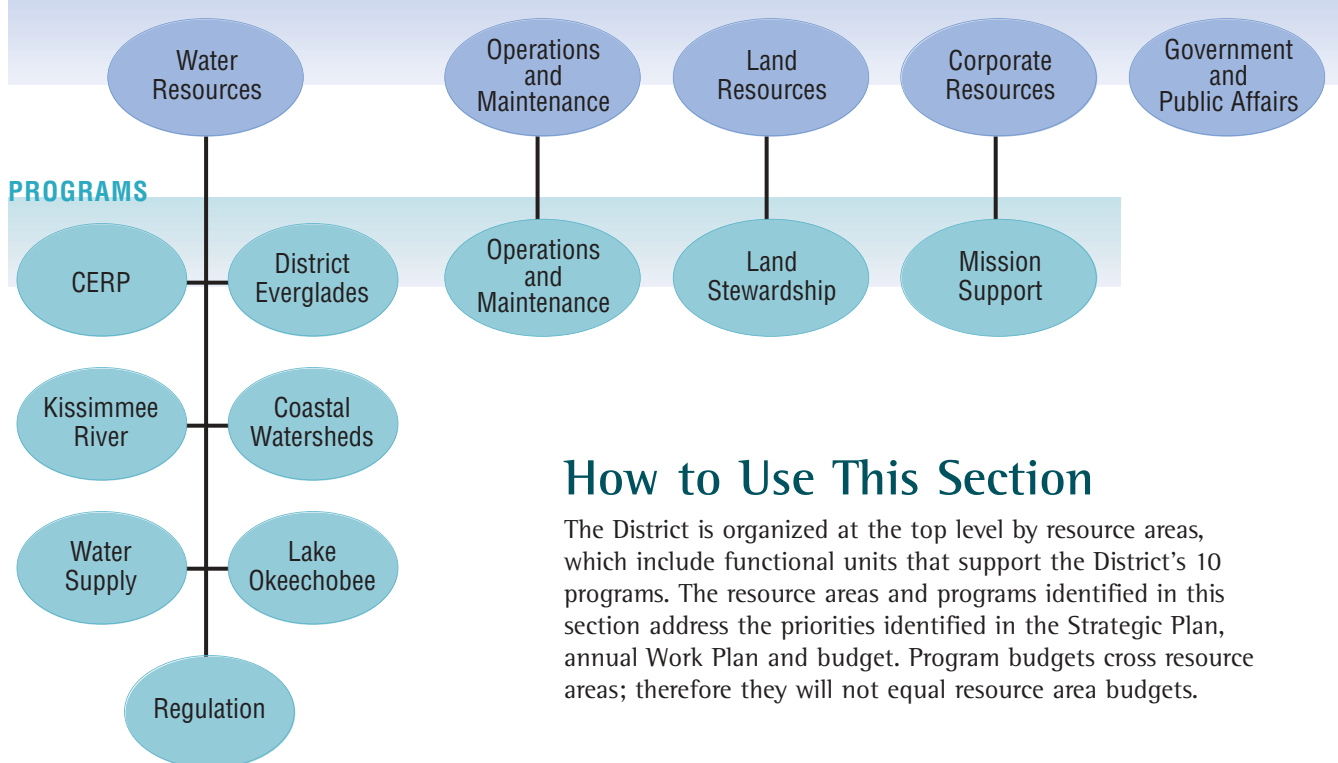
District management takes great pride in fulfilling its mission and retaining the public's confidence. To accomplish this, a 10-year Strategic Plan was designed, which drove development of the District's Work Plan and budget. These documents in turn guide District personnel work activities.

The rigorous budget development process through which the Work Plan and budget are created is driven by an overall strategy and set of priorities. This process ensures that management and personnel are aligned to best satisfy the District's mission, all plans and work activities are defined, and evaluating and monitoring methods are in place.

Please see the Financial Overview section for detailed information about the budget development process.

District Structure

RESOURCE AREAS



How to Use This Section

The District is organized at the top level by resource areas, which include functional units that support the District's 10 programs. The resource areas and programs identified in this section address the priorities identified in the Strategic Plan, annual Work Plan and budget. Program budgets cross resource areas; therefore they will not equal resource area budgets.

In this section, you will find information arranged first by resource area and then by the program(s) that are predominantly supported by that resource area. With the exception of the Government and Public Affairs Resource Area, which supports all District programs, each resource area will contain the following information:

Resource Area Functions and Budgets

Details major functions and activities, and shows budget variances from the prior year

Program Description

Provides details about program activities and operations

Explanation of FY2005 Funding Increases/Decreases

Presents a brief explanation of any significant funding changes for each program

FY2004 Accomplishments

Provides a snapshot of each program accomplishment

FY2005 Work Plan Objectives

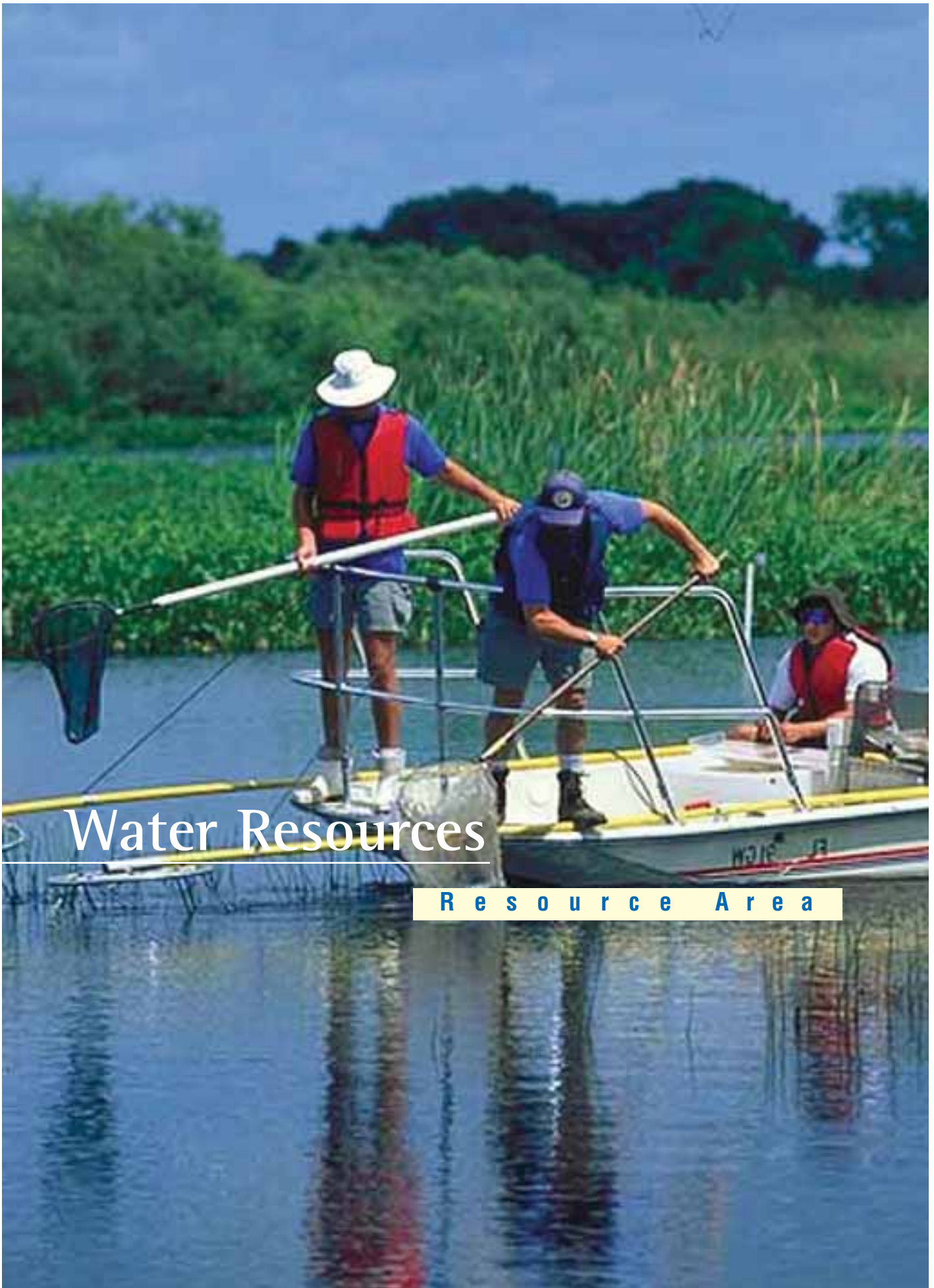
Lists the objectives that personnel will use to achieve program goals

Strategic Goals

Details long-term goals for the program

Performance Measures

Presents activities that are evaluated to determine whether goals are being achieved over a multi-year period



Water Resources

R e s o u r c e A r e a

Water Resources Management Team



Chip Merriam
*Water Resources Deputy
Executive Director*



Ken Ammon
*Assistant Deputy
Executive Director
Acceler8 Projects*



Terrie Bates
*Assistant Deputy
Executive Director*



Jayantha Obeysekera
*Office of
Modeling Director*



Lawrence Gerry
*CERP and Federal
Projects Acting Director*



Dean Powell
*Watershed
Management Director*



Carlyn Kowalsky
Water Supply Director



Cled Weldon
*Construction and
Engineering Director*



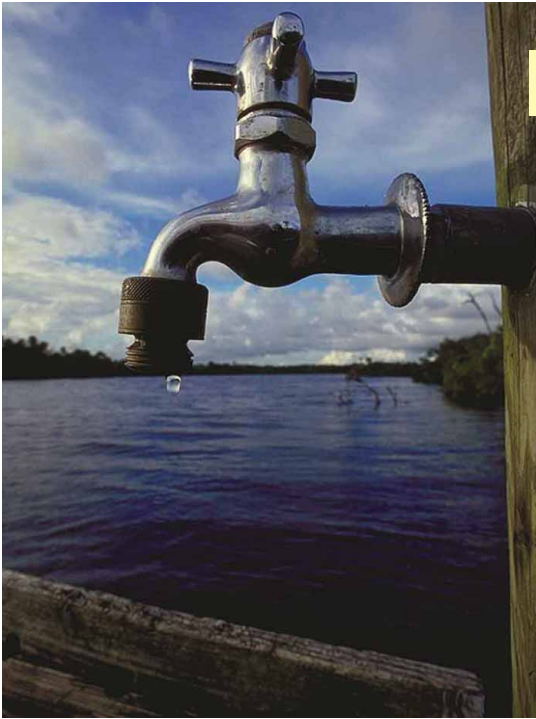
Linda J. Lindstrom
*Environmental Resource
Assessment Director*



Robert M. Brown
*Environmental Resource
Regulation Director*

Mission Statement

Our mission is to provide the highest caliber scientific assessment, planning, restoration and regulation services that will allow us to effectively manage the District's water resources on a regional, watershed and local scale.



Water Resources

Water Resources is the largest resource area. It provides primary support for the following District programs:

- Coastal Watersheds Program
- Comprehensive Everglades Restoration Program (CERP)
- District Everglades Program
- Kissimmee Restoration
- Lake Okeechobee Program
- Regulation Program
- Water Supply Program

These programs are supported by functional units that implement regulation, research, monitoring, assessment and restoration initiatives. The units' functions include ecosystem restoration; environmental monitoring and assessment; regional water supply planning; establishing water quality targets; environmental regulation; engineering, design and construction management; computer modeling; and development of Minimum Flows and Levels (MFL) for water bodies.

FY2004 to FY2005 Resource Area Variance

	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
BY EXPENSE TYPE					
Personal Services	\$46,857,936	\$50,921,725	\$49,267,544	(\$1,654,181)	(3.2)
Operating/Self Insurance	8,141,909	13,469,181	12,420,187	(1,048,994)	(7.8)
Contracts	63,488,056	92,690,192	89,179,454	(3,510,738)	(3.8)
Capital	70,672,697	64,345,681	49,588,226	(14,757,455)	(22.9)
Reserves	0	54,518,299	51,437,408	(3,080,891)	(5.7)
Total	\$189,160,598	\$275,945,078	\$251,892,819	(\$24,052,259)	(8.7)
BY FUND					
District – General	\$34,435,645	\$33,660,185	\$33,781,145	\$120,960	0.4
Okeechobee Basin	12,588,629	13,021,770	12,094,427	(927,343)	(7.1)
Big Cypress Basin	366,477	669,638	824,628	154,990	23.1
Save Our Rivers – Special Revenue	496,227	10,324,579	6,488,953	(3,835,626)	(37.2)
State Appropriations Non-Land	6,764,456	8,503,869	11,338,205	2,834,336	33.3
Wetlands Mitigation	26,013	350,000	272,634	(77,366)	(22.1)
Snook Tag Revenue	160,198	187,785	179,994	(7,791)	(4.1)
External Grant	828,962	1,047,498	313,600	(733,898)	(70.1)
Alternative Water Supply	500,000	1,804,000	2,000,000	196,000	10.9
STA O and M	0	1,507,219	262,600	(1,244,619)	(82.6)
Everglades License Tag	738	126,000	710,833	584,833	464.2
Lake Okeechobee Trust	5,613,496	3,873,912	11,064,183	7,190,271	185.6
District – Capital	6,161,748	0	0	0	N/A
Save Our Rivers – Capital	1,357,884	7,062,367	1,400,000	(5,662,367)	(80.2)
Everglades Restoration Trust	67,118,567	61,747,060	51,129,862	(10,617,198)	(17.2)
FEMA	15,219,295	7,100,000	11,099,000	3,999,000	56.3
Florida Bay	1,324,289	1,946,167	2,329,032	382,865	19.7
CERP – Ad Valorem	36,197,974	61,495,074	82,178,523	20,683,449	33.6
Save Our Everglades Trust	0	60,000,000	11,000,000	(49,000,000)	(81.7)
CERP – Federal	0	1,517,955	1,315,200	(202,755)	(13.4)
CERP – Other Creditable Funds	0	0	12,110,000	12,110,000	100.0
Total	\$189,160,598	\$275,945,078	\$251,892,819	(\$24,052,259)	(8.7)



Comprehensive Everglades Restoration Plan Program

“There are many ways of going
forward, but only one way of
standing still.”

Franklin D. Roosevelt

Program Budget: \$285 million • Staffing Complement: 163



Construction for the CERP Ten Mile Creek Project

Program Description

The Comprehensive Everglades Restoration Plan (CERP) is the largest ecosystem restoration effort in the world. The program is a collaboration between the District and the U.S. Army Corps of Engineers, and includes a series of projects that will take place over the course of more than 30 years. The restoration plan is largely focused on increasing water storage; and improving the timing, quality and distribution of water deliveries to the ecosystem. Major CERP components include planning, design, real estate acquisitions and construction. Operations, maintenance and monitoring will follow.

In 2000, Congress approved CERP under the Water Resources Development Act, and authorized the first 10 projects and six pilot projects. The District is the major local sponsor of CERP and the related Southwest Florida and Florida Bay/Florida Keys Feasibility Studies.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$285 million, which is \$5.9 million or 2 percent lower than FY2004 (see bar chart).

Discretionary Funds

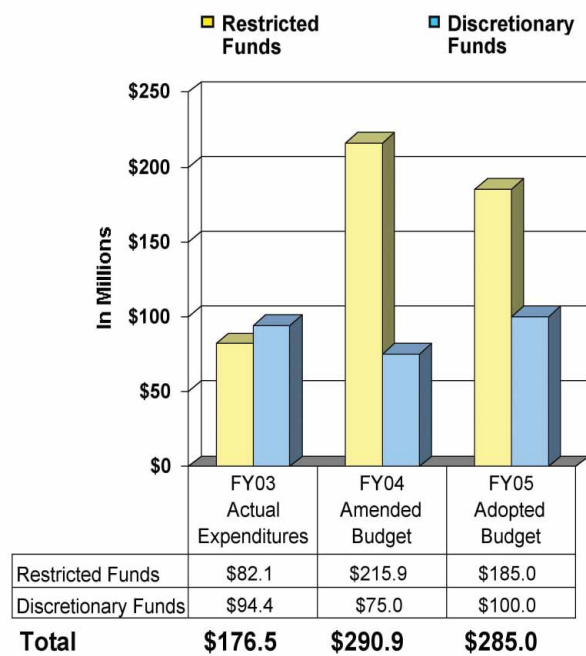
The discretionary budget for this program totals \$100 million, which is \$25 million or 33.3 percent higher than FY2004. This increase reflects management's decision to increase the annual discretionary commitment to the program to allow redirection of restricted Florida Forever funds to the Kissimmee River Restoration Program.

Restricted Funds

The restricted funds for this program total \$185 million, which is \$30.9 million or 14.3 percent lower than FY2004. This decrease is due primarily to the redirection of Florida Forever funds to the Kissimmee River Restoration Program.

See the Glossary contained in the Appendix for definitions of discretionary and restricted funds.

Three-Year Comparison



FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
<u>CERP Projects</u>					
Discretionary Funds	\$66,734,788	\$26,201,443	\$11,365,131	(\$14,836,312)	(56.6)
Restricted Funds	73,492,067	156,674,753	71,507,291	(85,167,462)	(54.4)
Subtotal All Sources	140,226,855	182,876,196	82,872,422	(100,003,774)	(54.7)
<u>CERP Program Elements</u>					
Discretionary Funds	22,348,600	27,592,515	11,250,417	(16,342,098)	(59.2)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	22,348,600	27,592,515	11,250,417	(16,342,098)	(59.2)
<u>Public/Private Partnerships</u>					
Discretionary Funds	0	0	1,430,764	1,430,764	100.0
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	0	0	1,430,764	1,430,764	100.0
<u>Feasibility Studies</u>					
Discretionary Funds	1,273,030	3,202,217	1,808,395	(1,393,822)	(43.5)
Restricted Funds	244	29,512	31,034	1,522	5.2
Subtotal All Sources	1,273,274	3,231,729	1,839,429	(1,392,300)	(43.1)
<u>Critical Restoration Projects</u>					
Discretionary Funds	3,722,660	9,247,810	11,124,072	1,876,262	20.3
Restricted Funds	8,656,412	11,311,861	4,685,385	(6,626,476)	(58.6)
Subtotal All Sources	12,379,072	20,559,671	15,809,457	(4,750,214)	(23.1)
<u>Other (Program Indirect and Reserves)</u>					
Discretionary Funds	217,105	8,119,921	63,021,221	54,901,300	676.1
Restricted Funds	0	47,850,000	99,223,024	51,373,024	107.4
Subtotal All Sources	217,105	55,969,921	162,244,245	106,274,324	189.9
<u>C-111/MWD/CSOP</u>					
Discretionary Funds	90,908	636,094	0	(636,094)	(100.0)
Restricted Funds	0	0	9,551,569	9,551,569	100.0
Subtotal All Sources	90,908	636,094	9,551,569	8,915,475	1401.6
<u>Total</u>					
Discretionary Funds	94,387,091	75,000,000	100,000,000	25,000,000	33.3
Restricted Funds	82,148,723	215,866,126	184,998,303	(30,867,823)	(14.3)
Total	\$176,535,814	\$290,866,126	\$284,998,303	(\$5,867,823)	(2.0)

FY2004 Accomplishments

- Advanced work began on the Canal 43 (C-43) Basin Storage Reservoir, the Indian River Lagoon Canal 44 (C-44) Storage Reservoir and the Everglades Agricultural Area (EAA) Storage Reservoir to facilitate completion of a major part of the Everglades restoration earlier than scheduled.
- Ground was broken for major restoration projects. These include Southern Golden Gate Estates, which is the first major construction effort in CERP; and Stormwater Treatment Areas on Taylor Creek and Nubbin Slough, as part of the Lake Okeechobee Water Retention/Phosphorus Removal Critical Restoration Project.
- Implementation continued on projects with approved Project Management Plans (PMP). These include Lake Okeechobee Watershed, C-43 Basin Storage Reservoir, EAA Storage Reservoir, Water Conservation Area 3A (WCA-3A) Sheet Flow Enhancement, North Palm Beach County projects, Biscayne Bay Coastal Wetlands, Canal 111 (C-111) North Spreader Canal, Southern Golden Gates Restoration, Levee 31 (L-31) North Seepage Management and the Indian River Lagoon.
- Construction and excavation for structural features continued on the Ten Mile Creek levee, which when completed will provide seasonal or temporary storage of stormwater from the Ten Mile Creek Basin in St. Lucie County.

FY2004 Accomplishments *Continued*

- Construction continued on the Western Canal 11 (C-11) Divide Structure. When completed, this project will improve the quality and timing of stormwater discharges from the Western C-11 Basin to the Everglades Protection Area by separating seepage from stormwater and pumping relatively clean seepage waters back into WCA-3A.
- Implementation continued on critical restoration projects. These include Ten Mile Creek Water Preserve Area, Western Tamiami Trail Culverts, Western C-11 Water Quality Treatment, Southern Corkscrew Regional Ecosystem Watershed (CREW) and Imperial River Flowway, Lake Okeechobee Water Retention/Phosphorus Removal and Lake Trafford Restoration.
- Major land parcels were acquired, including portions of C-43 Basin Storage Reservoir, Indian River Lagoon, North Palm Beach County, Biscayne Bay Coastal Wetlands, Bird Drive Recharge Area, Broward County Water Preserve Area and CREW)/Imperial River Flowway Critical Restoration Project.
- The Indian River Lagoon – South Plan was completed, which created habitat improvement in the St. Lucie Estuary and the Indian River Lagoon. This project is now included in both the House of Representatives and Senate Water Resources Development Acts.
- Development of Southwest Florida and Florida Bay/Keys Feasibility Studies continued. These studies will determine the modifications needed to successfully restore and protect the water quality and ecological conditions of Florida Bay and the Florida Keys' reef tract.
- Development continued on three pilot Aquifer Storage and Recovery projects, using technology previously untried on the scale envisioned in CERP.
- Implementation continued on management plans for program controls, public outreach, environmental and economic equity, data management and the Interagency Modeling Center (IMC), which is an umbrella organization created to enhance the synergy between agencies involved in organizing modeling resources to accomplish CERP requirements.
- Implementation began on the Restoration Coordination and Verification (RECOVER) Monitoring and Assessment Plan.
- The final Lake Okeechobee Watershed Management Plan, Southern Golden Gate Estates Draft Project Implementation Report and Environmental Impact Statement, and Indian River Lagoon – South Project Implementation Plan were completed.



Tamiami Trail gate

FY2005 Work Plan Objectives







- Advanced work will be performed on C-43. Thirty percent of the design will be complete by the fourth quarter.
- Plans and specifications for the advanced work on Indian River Lagoon C-44 will begin in the first quarter and be 60 percent complete by the fourth quarter.
- Construction continues on the Ten Mile Creek Water Preserve Area, which will be 75 percent complete by the fourth quarter.
- Construction on Western Tamiami Trail Culverts begins in the first quarter.
- The Southern CREW/Imperial River Flowways Project will be complete by the second quarter.
- Construction on the Lake Trafford Restoration begins in the first quarter.
- Construction on the Taylor Creek Storm Treatment Area will be complete by the third quarter.
- Western C-11 Water Quality Improvement Project will be complete by the first quarter.
- PMP revision for the Lake Okeechobee Aquifer Storage and Recovery (ASR) Pilot Project will be complete by the fourth quarter.
- Real estate acquisition for the Caloosahatchee C-43 River ASR Pilot Project will be complete by the fourth quarter.
- Final plans and specifications for the Hillsboro ASR Pilot Project Surface Facility will be complete by the fourth quarter.
- Hydraulic design for L-31N Seepage Management Pilot will be complete by the fourth quarter.
- Wastewater Reuse Technology Pilot PMP part 2 will be complete by the first quarter.
- ASR Regional Study compilation, evaluation and display data for the regional groundwater modeling will be complete by the fourth quarter.
- Watershed assessment, and engineering and design appendix field data collection for the Lake Okeechobee Watershed Project will be complete by the first quarter.
- Geotechnical and topographic studies for Indian River Lagoon – South Project Canals 23 and 24 will be complete by the fourth quarter.
- EAA Storage Reservoirs project monitoring plan, alternative plan evaluation and socio-economic analysis appendix will be complete by the fourth quarter.
- Revision of the WCA 3 Decomp and Sheetflow Enhancement PMP will be complete by the first quarter.
- C-111 N Spreader Canal PMP will be complete by the fourth quarter.



Florida Bay

- Site 1 Impoundment Project Implementation Plan and intermediate plans and specifications will be complete by the fourth quarter.
- Broward County WPA real estate analysis appendix and Project RECOVER tasks will be complete by the second quarter.
- C-43 Basin Storage Reservoir – Part I Hazardous, Toxic and Radioactive Waste (HTRW) field investigation and geotechnical studies will be complete by the fourth quarter.
- North Palm Beach County – Part I construction on Gated Control Structure 161 and M Canal widening components will begin in the fourth quarter.
- Biscayne Bay Coastal Wetlands Project preliminary real estate cost estimate will be complete by the second quarter.

FY2005 Work Plan Objectives *Continued*

-  Southern Golden Gate Hydro Restoration final Project Implementation Plan and National Environmental Policy Act (NEPA) will be complete by the second quarter.
-  Acme Basin B Discharge draft Project Implementation Plan and NEPA will be complete by the fourth quarter.
-  Strazzulla Wetlands environmental evaluation appendix will be complete by the fourth quarter.
-  Development of the Southwest Florida Feasibility Study will continue into the fourth quarter.
-  Development of the Florida Bay Feasibility Study will continue into the fourth quarter.
-  Construction on Modified Water Deliveries Project conveyance and seepage control for an 8.5-square-mile area on C-111 will be complete by the fourth quarter.



CERP
construction

Strategic Goals

Restore, preserve and protect South Florida's ecosystem

Provide for other water-related needs of the region, including water supply and flood protection

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2002	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006
Projects Completing Project Management Plans	19	2	8	1	2
Projects Completing Feasibility Studies	1	1	2	1	0
Projects Completing Project Implementation Reports	1	2	6	0	5
Projects Completing Pilot Project Design Reports	0	1	2	2	1
Projects Completing Plans and Specifications	3	0	2	3	4
Projects Completing Real Estate Acquisition	3	2	2	1	4
Acres of Real Estate Acquired	16,767	13,268	11,329	5,461 ¹ 16,300 ²	2,436 ¹ 13,300 ²
Projects Completing Construction	2	1	2	2	7

1 "Just in Time" Real Estate Acquisition Scenario

2 "Buy It All" Real Estate Acquisition Scenario



Coastal Watersheds Program

“When you drink the water,
remember the spring.”

Chinese Proverb

Program Budget: \$30.2 million • Staffing Complement: 39

Program Description

Coastal Watersheds Program personnel develop and implement projects and flood management planning activities that improve the quality, quantity, timing and distribution of flows to coastal water bodies from their tributary watersheds. The program was created to support the technical criteria for Minimum Flows and Levels (MFL), in partnership with the Water Supply Program. To facilitate this goal, scientific and technical support are provided to District priority projects, and water quality targets are developed that may lead to Pollutant Load Reduction Goals (PLRG) or Total Maximum Daily Loads (TMDL).

Local initiatives, such as stormwater improvement projects, are implemented through service centers. These initiatives include gathering information that facilitates understanding of the effects of changing freshwater flows to estuaries from water quantity and quality perspectives, and the identification of existing legal sources of water that are beneficial to fish and wildlife. This scientific information, related to salinity, seagrass and other biological factors, has contributed directly to operational decisions regarding the release of water from Lake Okeechobee.



Collecting oysters for study

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$30.2 million, which is \$9.7 million or 47.4 percent higher than FY2004 (see bar chart).

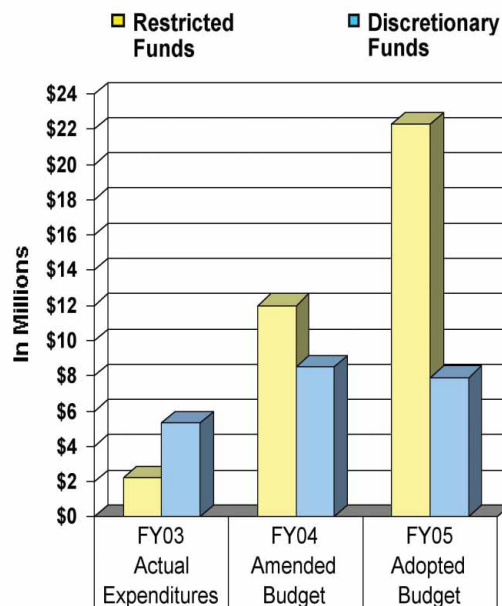
Discretionary Funds

The discretionary budget for this program totals \$7.9 million, which is \$0.5 million or 6.4 percent lower than FY2004. This reduction is the result of the staff's pursuit of dedicated sources of funding for projects.

Restricted Funds

The restricted funds for this program total \$22.3 million, which is \$10.3 million or 85.1 percent higher than FY2004. This increase is due primarily to reorganization of District resources, including the creation of the Stormwater Management Division, which redirected staff from the Lower West Coast. Additionally, some of the Big Cypress Basin and Environmental Resource and Assessment activities were moved to the Coastal Watersheds Program. The increase also reflects an increase in pass-through funding from state appropriations for local initiatives.

Three-Year Comparison
















	FY03 Actual Expenditures	FY04 Amended Budget	FY05 Adopted Budget
Restricted Funds	\$2.2	\$12.0	\$22.3
Discretionary Funds	\$5.3	\$8.5	\$7.9
Total	\$7.5	\$20.5	\$30.2

FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
<u>Southern Indian River Lagoon</u>					
Discretionary Funds	\$1,458,985	\$792,958	\$575,879	(\$217,079)	(27.4)
Restricted Funds	569,437	3,190,785	5,282,994	2,092,209	65.6
Subtotal All Sources	2,028,422	3,983,743	5,858,873	1,875,130	47.1
<u>Loxahatchee River/Estuary</u>					
Discretionary Funds	713,417	698,946	619,691	(79,255)	(11.3)
Restricted Funds	0	1,257,880	3,152,500	1,894,620	150.6
Subtotal All Sources	713,417	1,956,826	3,772,191	1,815,365	92.8
<u>Lake Worth Lagoon</u>					
Discretionary Funds	42,956	49,799	22,538	(27,261)	(54.7)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	42,956	49,799	22,538	(27,261)	(54.7)
<u>Biscayne Bay</u>					
Discretionary Funds	340,206	466,450	357,044	(109,406)	(23.5)
Restricted Funds	993,330	1,437,168	3,053,099	1,615,931	112.4
Subtotal All Sources	1,333,536	1,903,618	3,410,143	1,506,525	79.1
<u>Florida Bay and Florida Keys</u>					
Discretionary Funds	407,323	1,911,547	763,089	(1,148,458)	(60.1)
Restricted Funds	346,167	0	1,372,832	1,372,832	100.0
Subtotal All Sources	753,490	1,911,547	2,135,921	224,374	11.7
<u>Estero Bay</u>					
Discretionary Funds	734,157	1,162,708	216,875	(945,833)	(81.3)
Restricted Funds	0	1,522,650	850,000	(672,650)	(44.2)
Subtotal All Sources	734,157	2,685,358	1,066,875	(1,618,483)	(60.3)
<u>Naples Bay</u>					
Discretionary Funds	0	0	175,673	175,673	100.0
Restricted Funds	0	0	3,331,662	3,331,662	100.0
Subtotal All Sources	0	0	3,507,335	3,507,335	100.0
<u>Charlotte Harbor</u>					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	0	0	999,500	999,500	100.0
Subtotal All Sources	0	0	999,500	999,500	100.0
<u>Caloosahatchee River/Estuary</u>					
Discretionary Funds	653,864	299,770	277,340	(22,430)	(7.5)
Restricted Funds	9,880	3,292,559	3,391,071	98,512	3.0
Subtotal All Sources	663,744	3,592,329	3,668,411	76,082	2.1
<u>Flood Management Planning</u>					
Discretionary Funds	50,380	108,393	4,220,116	4,111,723	3,793.3
Restricted Funds	220,437	1,147,238	862,828	(284,410)	(24.8)
Subtotal All Sources	270,817	1,255,631	5,082,944	3,827,313	304.8
<u>Program Support</u>					
Discretionary Funds	883,981	2,971,878	694,584	(2,277,294)	(76.6)
Restricted Funds	45,000	200,000	8,756	(191,244)	(95.6)
Subtotal All Sources	928,981	3,171,878	703,340	(2,468,538)	(77.8)
<u>Total</u>					
Discretionary Funds	5,285,269	8,462,449	7,922,829	(539,620)	(6.4)
Restricted Funds	2,184,251	12,048,280	22,305,242	10,256,962	85.1
Total	\$7,469,520	\$20,510,729	\$30,228,071	\$9,717,342	47.4

FY2004 Accomplishments

-  Technical support was provided for the North Palm Beach CERP Project Implementation Report; the Indian River Lagoon Feasibility Study and Project Implementation Report; the Allapattah Ranch Property Restoration Plan development; the Everglades Agriculture Area project; the Lower West Coast Feasibility Study, including salinity model; the Biscayne Bay Coastal Wetlands project; and a legal source and natural system model for the Caloosahatchee Watersheds and Estuary.
-  Upper East Coast Best Management Practices (BMP) Program was developed.
-  St. Lucie River Issues Team projects that were funded by legislative appropriation were implemented.
-  A cooperative partnership was formed with the Loxahatchee River District to complete restoration projects.
-  Work was done on the Loxahatchee River and Estuary restoration plan, which continues to be developed.
-  A draft of the technical criteria for Biscayne Bay MFL was completed.
-  Biscayne Bay restoration projects funded by legislative appropriation were implemented.
-  Monroe County stormwater and wastewater improvement projects were implemented in cooperation with local governments.
-  Local watershed/hydrologic improvement projects in the Lower West Coast region were implemented.
-  Development began on a technical criteria methodology for the Estero Bay MFL.
-  The Caloosahatchee hydrodynamic model was finalized.
-  Activities in the Caloosahatchee River and Estuary were monitored and assessed for input into post-rule MFL and environmental operations.
-  A cooperating technical partnership was established with the Federal Emergency Management Administration to create and maintain flood hazard data for the District.



Small island in the St. Lucie Inlet area

FY2005 Work Plan Objectives

- Implementation of St. Lucie River Issues Team projects in the Southern Indian River Lagoon will begin in the third quarter.
- Implementation of the Southern Indian River Lagoon Westport Wastewater Treatment Plan Reuse will begin in the second quarter.
- A draft Restoration Plan for the northwest fork of the Loxahatchee River will be delivered to the Governing Board in the fourth quarter.
- Technical documentation for Loxahatchee River and Estuary initial Reservation technical support will be provided to the Water Supply Program in the first quarter.
- Development of the MFL technical criteria document for South Biscayne Bay will be complete in the first quarter.
- Development of the Florida Bay and the Florida Keys MFL Technical Criteria Report will be complete early in the second quarter.
- Estero Bay Preliminary Assessments for MFL Technical Criteria Status Report will be submitted to the Water Supply Program by the fourth quarter.
- The Gateway Triangle Stormwater Project in Naples Bay will begin in the fourth quarter.
- The Four Corners Project in the Caloosahatchee River/Watershed will begin in the third quarter.
- Charlotte Harbor Surface Water Improvement and Management Plan document will be complete by the fourth quarter.



South fork of the St. Lucie River

Strategic Goals

Restore coastal watersheds and estuaries through local initiatives

Provide a better understanding of restoration effects on coastal ecosystems

Decrease flood damages through proactive flood management planning

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
Restoration Projects Implemented/Completed — Approved by Local Initiatives (St. Lucie, Loxahatchee, Biscayne Bay and Lower West Coast Coastal Watersheds) and Funded Through Specific Appropriations	28	59	115	TBD	TBD
Coastal Basin Priority Waterbodies for Which Pollutant Load Reduction Goals (PLRGs) Have Been Established	1	1	2	3	3
Days the 30-Day Moving Average Discharge at S-79 is Between 300 and 2800 CFS	179	308	Target 365 days	Target 365 days	Target 365 days
St. Lucie: Days the Daily Average Surface Salinity at the US1 Bridge is Between 8 and 25 Parts-Per-Thousand	195	283	Target 365 days	Target 365 days	Target 365 days
MFLs for Which Technical Criteria are Established (Target 6 by 2007)	n/a	1	4	5	6
Percent Completion of Scientific Basis for Hydrodynamic Model for Florida Bay (Target Completion by 2006)	10%	30%	70%	100%	n/a



District Everglades Program

“Quality is never an accident;
it is always the result of
intelligent effort.”

John Ruskin

Program Budget: \$69.2 million • Staffing Complement: 185



Collecting water samples at STA 1 West

Program Description

The District Everglades Program focuses on District responsibilities, as outlined in the Everglades Forever Act (EFA) and the U.S. vs. Florida Settlement Agreement. The program includes the Everglades Construction Project (ECP), which is the first major step in Everglades restoration and part of the EFA passed by the Florida legislature in 1994. This act directs the District to acquire land, and design, permit, construct and operate a series of Stormwater Treatment Areas (STA) to reduce phosphorus levels from stormwater run-off and other sources before it enters the Everglades Protection Area.

The EFA also requires the District to investigate technologies that may be superior to the STAs and to implement basin-specific solutions to achieve compliance with long-term water quality standards. In 2003, the EFA was amended to include the Long-Term Plan as the appropriate strategy for achieving the long-term water quality goals for the Everglades Protection Area.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$69.2 million, which is \$20.4 million or 22.7 percent less than FY2004 (see bar chart).

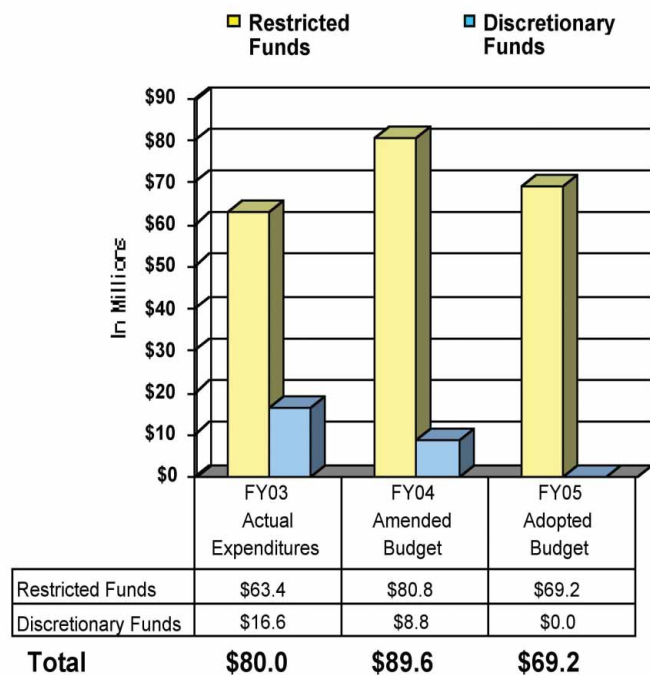
Discretionary Funds

There are no discretionary funds for this program in FY2005.

Restricted Funds

The restricted funds for this program total \$69.2 million, which is \$11.6 million or 14.3 percent lower than FY2004. This decrease is because some of the major components within the Everglades Construction Project are nearing completion. Other project elements are not scheduled to begin until future fiscal years.

Three-Year Comparison

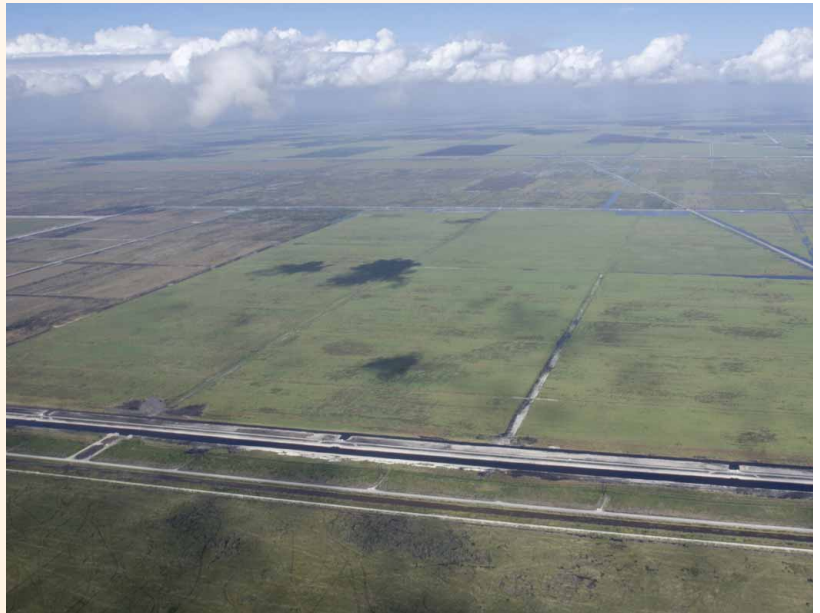


FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
<u>Everglades Construction Project</u>					
Discretionary Funds	\$17,723	\$0	\$0	\$0	N/A
Restricted Funds	57,397,078	40,102,740	12,208,400	(27,894,340)	(69.6)
Subtotal All Sources	57,414,801	40,102,740	12,208,400	(27,894,340)	(69.6)
<u>LTP – Operations and Maintenance</u>					
Discretionary Funds	461,637	48,738	0	(48,738)	(100.0)
Restricted Funds	3,700,570	12,227,353	15,383,819	3,156,466	25.8
Subtotal All Sources	4,162,207	12,276,091	15,383,819	3,107,728	25.3
<u>LTP – Pre-2006 Strategies, ECP Basins</u>					
Discretionary Funds	102,921	0	0	0	N/A
Restricted Funds	483,406	9,727,134	17,644,233	7,917,099	81.4
Subtotal All Sources	586,327	9,727,134	17,644,233	7,917,099	81.4
<u>LTP – Pre-2006 Strategies, ESP Basins</u>					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	0	503,604	1,766,264	1,262,660	250.7
Subtotal All Sources	0	503,604	1,766,264	1,262,660	250.7
<u>LTP – Process Development and Engineering</u>					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	0	6,188,016	9,040,389	2,852,373	46.1
Subtotal All Sources	0	6,188,016	9,040,389	2,852,373	46.1
<u>LTP – Recovery of Impacted Areas – EPA</u>					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	0	1,110,000	1,680,053	570,053	51.4
Subtotal All Sources	0	1,110,000	1,680,053	570,053	51.4
<u>LTP – Post-2006 Strategies</u>					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	0	0	500,000	500,000	100.0
Subtotal All Sources	0	0	500,000	500,000	100.0
<u>LTP – Program Management</u>					
Discretionary Funds	0	0	0	0	N/A
Restricted Funds	0	450,636	700,456	249,820	55.4
Subtotal All Sources	0	450,636	700,456	249,820	55.4
<u>Everglades Monitoring and Assessment</u>					
Discretionary Funds	3,246,680	2,307,261	0	(2,307,261)	(100.0)
Restricted Funds	193,314	188,431	2,722,616	2,534,185	1,344.9
Subtotal All Sources	3,439,994	2,495,692	2,722,616	226,924	9.1
<u>Everglades Research and Evaluation</u>					
Discretionary Funds	11,949,399	5,673,438	0	(5,673,438)	(100.0)
Restricted Funds	1,613,734	10,245,466	5,416,765	(4,828,701)	(47.1)
Subtotal All Sources	13,563,133	15,918,904	5,416,765	(10,502,139)	(66.0)
<u>Program Support</u>					
Discretionary Funds	862,573	763,097	0	(763,097)	(100.0)
Restricted Funds	1,237	23,711	2,138,575	2,114,864	8,919.3
Subtotal All Sources	863,810	786,808	2,138,575	1,351,767	171.8
<u>Total</u>					
Discretionary Funds	16,640,933	8,792,534	0	(8,792,534)	(100.0)
Restricted Funds	63,389,339	80,767,091	69,201,570	(11,565,521)	(14.3)
Total	\$80,030,272	\$89,559,625	\$69,201,570	(\$20,358,055)	(22.7)

FY2004 Accomplishments

- During the last year, the STAs removed over 87 tons of phosphorus that otherwise would have entered the Everglades. To date, the STAs have removed over 425 tons of phosphorus. Five of the STAs are operational in over a total of 30,000 acres of effective treatment area.
- Start-up operations began in October 2003 for the completed 16,600-acre STA 3/4. Flow-through operation began in February 2004, and construction of a 100-acre periphyton-based STA demonstration project began in March 2004.
- There has been a reduction in total phosphorus loads from the Everglades Agricultural Area through implementation of Best Management Practices (BMP). The average reduction trend is over 50 percent since 1996, which exceeds the landowners' mandated target of 25 percent. Over the last nine years, BMPs have reduced phosphorus loads by over 1,300 tons.
- A BMP Program has been initiated in the C-139 Basin. This year, the District completed inspections of all permitted lands to verify initial implementation of BMPs. Grant programs initiated in 2002 will continue with increased funding to provide financial incentives to implement higher-level BMPs and BMP demonstration projects.
- A contract was established with the Florida Department of Environmental Protection to establish 31 topographic survey benchmarks throughout Water Conservation Area (WCA) 3 as a precursor for measuring the elevations of tree islands in WCA 3A.
- A 10-year Memorandum of Understanding was finalized with the Loxahatchee National Wildlife Refuge to conduct environmental and hydrologic studies at the Loxahatchee Impoundment Landscape Assessment Facility.
- An evaluation that establishes the flooding tolerances of wet prairie, slough and ridge plant communities downstream of STA outflows was completed.
- Quality assurance reviews were completed for Everglades Nutrient Removal Optimization, Everglades Construction Project (ECP) operations and ECP permit, and 150,000 laboratory analyses were completed. The results of these reviews and analyses helped determine how well STAs are removing phosphorous from the water in the Everglades.
- Twenty-six quality assurance lab and field audits and 40 quality assurance reports were performed to verify data quality and integrity.
- Water quality analyses for the C-51 West Basin and for discharges from Lake Okeechobee that flow into STAs were updated.
- Additional stream gauging at numerous stations within the STAs was completed to better estimate the quantity of flow passing through the structures.
- A tracer study in STA 1W Cell 5 was conducted to help assess whether a lime-rock berm, constructed in FY2003 as a Section 319 water-quality improvement project, effectively redistributes water flow.
- Vegetation conversion activities in STA 3/4 Cell 2B were completed. These activities include herbicide treatment to enhance development of Submerged Aquatic Vegetation, which improves water quality.



16,600-acre Stormwater Treatment Area 3/4

FY2005 Work Plan Objectives

- Construction of Structure 5a Basin run-off diversion works and Gated Control Structures 371 and 373 Diversion/Bypass Structures will be 40 percent complete by the fourth quarter.
- Construction of Chapter 298 District Diversions and STA 3/4 Structures will be complete by the fourth quarter.
- The phosphorous-source-control water quality data for each basin will be updated by the second quarter.
- The Everglades Annual Report will be complete by the third quarter.
- Design and implementation of the research program for recovery of impacted areas of Everglades Protection Area (EPA) will be complete by the fourth quarter.
- Acquisition of STA survey data will be complete by the second quarter.
- The phosphorus budget for STAs will be complete by the fourth quarter.
- Construction of a periphyton-assisted STA site will be complete by the second quarter.
- STA 2 Tracer Study will be complete by the third quarter.
- Fifty percent of the enhancements to STA 1W and STA 2 will be complete by the third quarter.
- Ninety percent of the enhancements to STA 3/4 will be complete by the fourth quarter.
- Artificial tree perch analysis for tree island restoration will be complete by the fourth quarter.
- Studies on hydrologic tolerance of tree-island species seedlings and saplings will be complete by the fourth quarter.
- Studies on effects of water depth on periphyton cell pigment and species composition will be complete by the first quarter.



Strategic Goals

Contribute to restoration of the Everglades by restoring water quality and hydrology

Improve planning and operational decisions through applied science

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
STAs Constructed	4	6	6	6	6
Cumulative Number of STAs Operating	4	6	6	6	6
Completed Vegetation Maps of All STAs	Yes	Yes	Yes	Yes	Yes
Maintain Compliance with the Everglades Forever Act and Settlement Agreement	Yes	Yes	Yes	Yes	Yes
Completion by December 31, 2006 of STA Enhancements as Identified in the Long-Term Plan	0	0	2	4	N/A
Activities Completed Associated with Accelerating the Recovery of Impacted Areas	1	2	4	6	6
Adaptive Management and Program Management Activities Implemented as Identified in the Long-Term Plan	N/A	1	2	4	4
Completed Annual Reports on Water Quality and the Everglades Consolidated Report	Yes	Yes	Yes	Yes	Yes



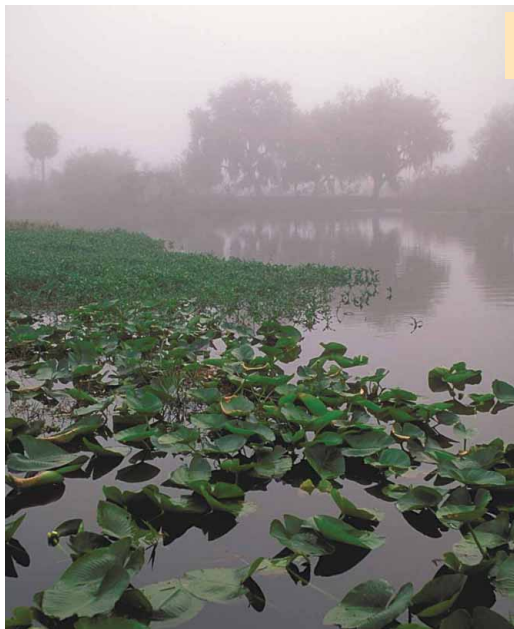
Kissimmee Restoration Program

“You could not step twice into the
same river, for other waters are
ever flowing on to you.”

Heraclitus

Program Budget: \$48.2 million • Staffing Complement: 46

Program Description



Kissimmee River

The historic Kissimmee River originated at Lake Kissimmee and meandered for 103 miles through a 1- to 3-mile-wide floodplain to Lake Okeechobee. Severe flooding throughout Central Florida in the late 1940s prompted the state to petition the federal government to prepare a flood control plan for Central and South Florida. In 1948, Congress authorized the U.S. Army Corps of Engineers (USACE) to initiate construction of the Central and Southern Florida Project (C&SF). Implementation of the 1962-1971 flood control project replaced the Kissimmee River with a 56-mile long, 300-foot wide, 30-foot deep drainage canal (C-38). Water control structures and related features were also built in the upper lakes region.

Although the project was extremely successful at achieving flood control, this channelization drained 36,000 acres of floodplain wetlands and led to drastic declines in wildlife and ecosystem function. In 1992, Congress authorized the Kissimmee River Restoration (KRR) and the Headwaters Revitalization Projects – a \$578 million partnership between the USACE and the District. Activities include acquisition of 105,000 acres of land; canal filling and recarving; structure modification, removal and replacement; and a comprehensive program to evaluate the restoration.

Over 7 miles of backfilling of Phase I were completed in 2001, and work is underway to design and model the extent of backfilling necessary for Phases II, III and IV. In accordance with the Project Cooperative Agreement between the USACE and the District, restoration evaluation monitoring continues to quantify the success of the efforts undertaken to date.

The Kissimmee Upper Basin Restoration Initiative is another significant effort that is underway. Much of the water flowing to the Kissimmee Chain of Lakes (KCOL) and the Kissimmee River originates in rapidly urbanizing basins north of the KCOL – in the Kissimmee Upper Basin (KUB). Through a partnership between the District and local governments, annual funds are provided for KUB water resource projects to improve downstream water quality, water supply, natural resources and flood control levels of service.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$48.2 million, which is \$15.4 million or 24.2 percent lower than FY2004 (see bar chart).

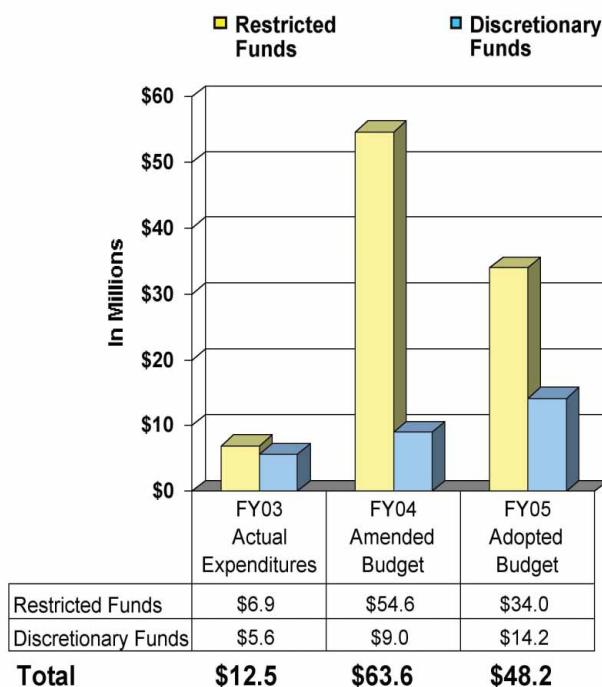
Discretionary Funds

The discretionary budget for this program totals \$14.2 million, which is \$5.2 million or 57.8 percent higher than in FY2004. This increase is due primarily to KRR land acquisition, which is one of the Governing Board's top seven priorities in FY2005, and construction activities. The increase also includes funding of local government cost-share water quality improvement projects, the Kissimmee Chain of Lakes Long-Term Management Plan and Governing Board strategic priorities.

Restricted Funds

The restricted funds for this program total \$34 million, which is \$20.6 million or 37.8 percent lower than in FY2004. This decrease is due primarily to funding most of the land acquisition in the FY2004 budget year.

Three-Year Comparison



FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
<u>River Restoration Projects</u>					
Discretionary Funds	\$4,422,091	\$3,964,564	\$10,815,450	\$6,850,886	172.8
Restricted Funds	5,279,135	53,810,969	33,255,000	(20,555,969)	(38.2)
Subtotal All Sources	9,701,226	57,775,533	44,070,450	(13,705,083)	(23.7)
<u>Chain of Lakes Projects</u>					
Discretionary Funds	2,031,993	1,069,227	908,324	(160,903)	(15.0)
Restricted Funds	330,000	825,000	0	(825,000)	(100.0)
Subtotal All Sources	2,361,993	1,894,227	908,324	(985,903)	(52.0)
<u>KUB Restoration</u>					
Discretionary Funds	32,873	3,509,810	1,840,914	(1,668,896)	(47.5)
Restricted Funds	0	0	750,000	750,000	N/A
Subtotal All Sources	32,873	3,509,810	2,590,914	(918,896)	(26.2)
<u>Program Support</u>					
Discretionary Funds	396,309	459,218	638,480	179,262	39.0
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	396,309	459,218	638,480	179,262	39.0
<u>Total</u>					
Discretionary Funds	6,883,266	9,002,819	14,203,168	5,200,349	57.8
Restricted Funds	5,609,135	54,635,969	34,005,000	(20,630,969)	(37.8)
Total	\$12,492,401	\$63,638,788	\$48,208,168	(\$15,430,620)	(24.2)



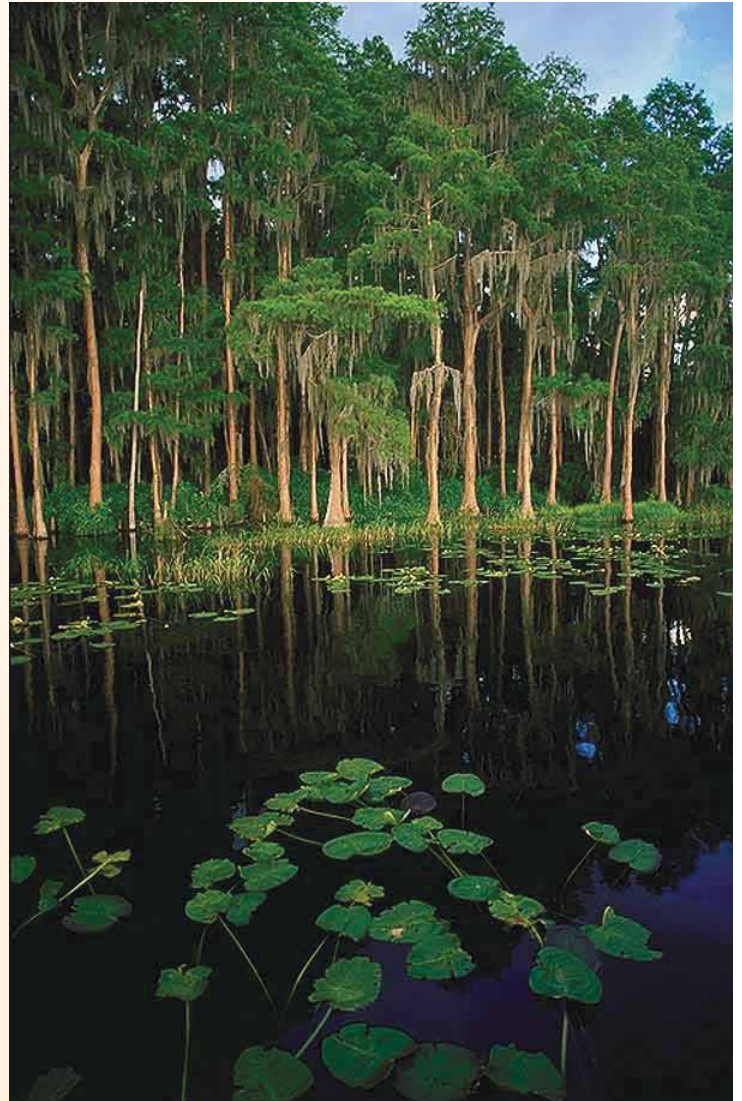
White Ibis



Section of restored Kissimmee River channel and floodplain










FY2004 Accomplishments

- ❧ Measurement of the Kissimmee River and floodplain ecological response continues.
- ❧ Acquisition of land required to implement new regulation schedules for Kissimmee, Hatchineha, Cypress and Tiger lakes continues. Once completed, this project will reinstate natural historic water flows to the Kissimmee River.
- ❧ The first annual Kissimmee River Restoration update was published.
- ❧ Acquisition of remaining lands in Kissimmee River floodplain continues, which will allow final phases of backfilling to proceed. All remaining Kissimmee River land will be acquired by December.
- ❧ Construction of the Hidden Acres Estates Flood Mitigation Project was completed, which saved the expense of buying out the entire community. Homes were raised above the 100-year flood elevation, resulting in flood protection for an entire community on the Kissimmee River.
- ❧ Construction of US Highway 98 improvements (Kissimmee River Restoration Floodplain Project components) were completed, which allow the restored river to flow under U.S. 98.
- ❧ Pool D headwaters hydrology and hydraulics study was conducted, which identified the water levels, stages and durations in Pool D to aid planners and engineers in the design of future KRR backfilling.
- ❧ A charter was developed with other interested parties for the Kissimmee Chain of Lakes Long-Term Management Plan. The development of a conceptual ecosystem model was also initiated.
- ❧ Technical support was provided for the Lake Tohopekaliga extreme drawdown, which lowered lake levels to expose shorelines and allow manual scraping of all accumulated material (muck). This process restored the original sandy banks, which allow fish and wildlife populations to thrive.
- ❧ Approval was obtained for a flood-mitigation engineering solution for Grape Hammock Acres Camp on Lake Kissimmee, which will allow the camp to remain on the banks of Lake Kissimmee.
- ❧ Construction was completed for cooperative water quality improvement projects in Orange and Osceola counties. As a result, storm waters flowing into tributary basins adjacent to Upper Chain of Lakes are being cleaned and the level of flood protection to these basins has been enhanced.
- ❧ Construction of Upper Lake Tohopekaliga restoration project began, which resulted in the demucking of a cove north of Neptune Road.



Cypress trees

FY2005 Work Plan Objectives

-  Acquisition of 95 percent of the 105,000 acres needed for restoration will be complete by the fourth quarter.
-  The Kissimmee River Restoration Performance Measure Compendium will be complete by the fourth quarter.
-  The Kissimmee River Initial Response Report will be complete by the fourth quarter.
-  The first annual Kissimmee Watershed Projects Report will be complete by the second quarter.
-  Fifty percent of the two-year effort to update the Kissimmee watershed model will be complete by the fourth quarter.
-  Long-Term Management Plan performance measures for the Kissimmee Chain of Lakes will be complete by the fourth quarter.
-  Construction of the Pleasant Hill Regional Stormwater Improvement Projects will be complete by the fourth quarter.
-  Flood control improvements study for East Lake Tohopekaliga will be complete by the end of the fourth quarter.
-  Funds will be transferred to Orange County for implementation of the Green Place Program by the end of the fourth quarter.



Cypress swamp in the Kissimmee Upper Chain of Lakes

Strategic Goals

Restore the ecological integrity of the Kissimmee River and floodplain ecosystem

Improve water quality, water supply, natural resources and the level of flood control service in the Kissimmee Upper Basin

Regulate the headwater and river system to balance effects on the upper and lower basins

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
Percentage of Total Project Acres (75,000) in Kissimmee River Basin Floodplain Mitigated or Acquired	85%	85%	95%	100%	100%
Percentage of Total Project Acres (35,000) Around Lakes Kissimmee, Hatchineha, Cypress and Tiger Acquired to Implement KRR Headwaters Revitalization Regulation Schedule	85%	85%	100%	100%	100%
Kissimmee Chain of Lakes Long-Term Management Plan (LTMP)		Project Scoped and Initiated	50% Complete	Final LTMP Complete	
Nine Central Florida Headwaters Initiative Projects Implemented (Total \$4.7 Million)	4	4	9	9	9
Hydrologic/Geomorphologic Expectations Met (Total of 8)	0	2	2	3	3
Water Quality Expectations Met (Total of 4)	2	3	3	3	4
Invertebrate Expectations Met (Total of 7)	0	0	0	0	1
Avian and Endangered Species Expectations Met (Total of 8)	0	0	0	0	1
Vegetation (Including Algae) Expectations Met (Total of 10)	0	1	3	3	3
Expectations Met (Total of 42)	2	6	8	9	12



Lake Okeechobee Program

“Water is good; it benefits
all things and does not
compete with them.”

Lao-tzu

Program Budget: \$21 million • Staffing Complement: 60

Program Description



Sunrise on Lake Okeechobee

Lake Okeechobee is the “liquid heart” of South Florida’s interconnected aquatic ecosystem. The lake provides a number of benefits to the state’s population and environment, including water supply for agriculture, urban areas and the environment; flood protection; a multi-million-dollar sport and commercial fishery; and habitat for wading birds, migratory waterfowl and the endangered Everglades Snail Kite.

The Lake Okeechobee Program focuses on the development and implementation of management activities that will allow the lake to support a greater diversity of native plants and animals, while providing flood protection, water supply, navigation and recreation.

The program is geared toward solving three major problems facing the lake and its watershed: excessive nutrient loading, extreme high and low water levels in the lake, and exotic species. As required by state legislation, the District – with involvement from the Florida Department of Environmental Protection, the Florida Department of Agriculture and Consumer Services, the public, and stakeholders – completed the Lake Okeechobee Protection Plan in January 2004. The completed plan contains an implementation schedule for subsequent phases of phosphorus load reduction to meet the target goal of 140 metric tons by the year 2015. The plan also contains required elements of exotic species control and research and monitoring.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$21 million, which is \$8 million or 61.5 percent higher than FY2004 (see bar chart).

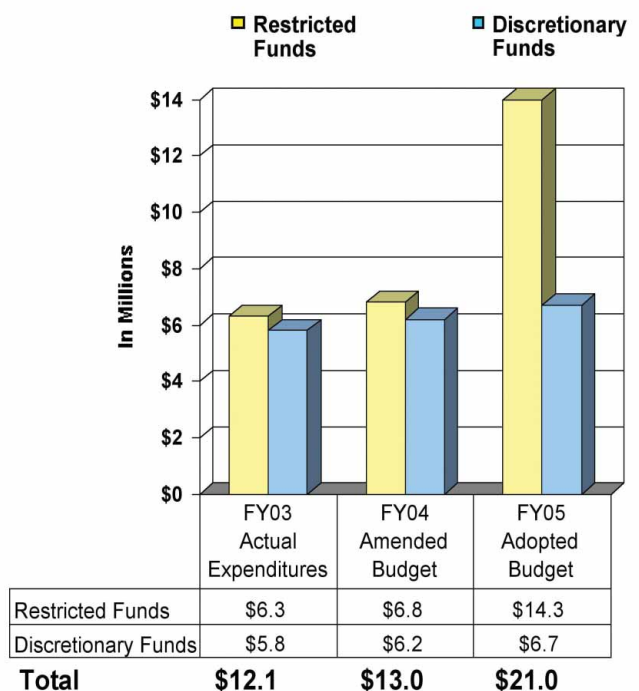
Discretionary Funds

The discretionary budget for this program totals \$6.7 million, which is \$0.5 million or 7.2 percent higher than FY2004. This increase is due primarily to the funding of the Governing Board strategic priority to reduce phosphorus inputs to Lake Okeechobee through the implementation of the Lake Okeechobee Protection Plan.

Restricted Funds

The restricted funds for this program total \$14.3 million, which is \$7.5 million or 111.8 percent higher than FY2004. This increase is due primarily to the appropriation of state funds for the design and construction of the Nubbin Slough pilot Stormwater Treatment Area (STA) expansion, and because additional funding was required to support Governing Board priorities.

Three-Year Comparison



FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
<u>Lake Restoration Assessment</u>					
Discretionary Funds	\$1,604,652	\$1,009,984	\$1,375,039	\$365,055	36.1
Restricted Funds	571,871	492,230	813,080	320,850	65.2
Subtotal All Sources	2,176,523	1,502,214	2,188,119	685,905	45.7
<u>Watershed Management</u>					
Discretionary Funds	3,360,804	4,578,712	2,739,980	(1,838,732)	(40.2)
Restricted Funds	4,528,201	5,175,141	3,857,070	(1,318,071)	(25.5)
Subtotal All Sources	7,889,005	9,753,853	6,597,050	(3,156,803)	(32.4)
<u>Exotics Control</u>					
Discretionary Funds	325,244	82,751	275,084	192,333	232.4
Restricted Funds	5,000	263,522	408,415	144,893	55.0
Subtotal All Sources	330,244	346,273	683,499	337,226	97.4
<u>Restoration Construction Projects</u>					
Discretionary Funds	63,355	62,232	1,572,536	1,510,304	2,426.9
Restricted Funds	1,164,810	775,000	9,218,105	8,443,105	1,089.4
Subtotal All Sources	1,228,165	837,232	10,790,641	9,953,409	1,188.8
<u>Program Support</u>					
Discretionary Funds	429,614	519,695	743,621	223,926	43.1
Restricted Funds	718	48,000	7,251	(40,749)	(84.9)
Subtotal All Sources	430,332	567,695	750,872	183,177	32.3
<u>Total</u>					
Discretionary Funds	5,783,669	6,253,374	6,706,260	452,886	7.2
Restricted Funds	6,270,600	6,753,893	14,303,921	7,550,028	111.8
Total	\$12,054,269	\$13,007,267	\$21,010,181	\$8,002,914	61.5

FY2004 Accomplishments

-  Eleven of 13 Phosphorus Source Control Grant projects were completed.
-  Three dairy Best Available Technology (BAT) projects were completed, creating an estimated load reduction of 10.5 metric tons of phosphorus from Lake Okeechobee.
-  Design and construction of a dairy BAT facility that captures, recycles and treats stormwater was completed. This project was then extended through a public/private partnership with Davie Dairy.
-  Restoration of 200 acres of isolated wetlands was completed.
-  All compliance monitoring and reporting requirements associated with Lake Okeechobee Operation Permit and the Lake Okeechobee Protection Program were fulfilled.
-  The Lake Okeechobee Protection Plan was completed and delivered to the Florida Legislature on January 1, 2004, as required by legislation.



Fisheating Creek

FY2005 Work Plan Objectives

- Implementation of phosphorus control programs in the Lake Okeechobee watershed to meet the Total Maximum Daily Load (TMDL) will be complete in the fourth quarter.
- Taylor Creek tributaries dredging will be initiated in the fourth quarter.
- Treatment and control of an estimated 2,000 acres of torpedo grass, 500 acres of melaleuca, cattails and other exotic plant species in Lake Okeechobee will be complete in the fourth quarter.
- The design and permitting process for the Nubbin Slough STA expansion will be initiated by the first quarter.
- Fifty percent of the land acquisition for the Lemkin Creek Urban STA will be complete by the second quarter.
- The annual Submerged Aquatic Plant map, which helps assess the lake's condition, will be complete by the fourth quarter.



S-65E water control structure

Strategic Goals

Improve Lake Okeechobee water quality

Reduce or eliminate exotic species in the lake

Manage lake water levels

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
Percent of Samples That Meet State Requirements	95%	95%	95%	95%	95%
Pilot Projects	8	1	1	1	1
Feasibility Evaluations	7	1	1	1	1
Full-Scale Restoration Projects (Including BMPs)	7	14	15	15	15
At Least 10% Above SWIM Target	17	17	20	20	20
At Least 10% Below SWIM Target	6	6	6	6	6
Within SWIM Target	3	3	3	3	3
Acres of Melaleuca Eradicated	2,000	500	500	500	500
Acres of Torpedo Grass Eradicated	2,500	4,000	2,000	2,000	2,000
Acres of Cattail Eradicated	1,200	1,200	0	0	0
Percent of Time the Lake is at Favorable Stage	63%	56%	100%	100%	100%

A photograph of a barred owl perched on a tree branch. The owl has brown and white mottled feathers and is looking towards the right. The background is a blurred green forest.

Regulation Program

“So act that your principle of
action might safely be made a
law for the whole world.”

Immanuel Kant

Program Budget: \$16.5 million • Staffing Complement: 186



Well-drilling equipment

Program Description

Regulation Program personnel implement the District's permitting authority under Florida Statutes to regulate the management and storage of surface waters. This is done through Environmental Resource Permits (ERP); the consumptive use of water through Water Use Permits; and the construction, repair and abandonment of wells through Water Well Construction Permits. Linked with the ERP program is implementation of the sovereign submerged lands authority delegated to the District by Florida's governor and cabinet.

Environmental Resource Permits ensure that proposed surface water management systems, including wetland dredging or filling, do not cause adverse water quality, water quantity or environmental impacts. Water Use Permits ensure that proposed uses are reasonable, will not interfere with any presently existing legal users and are consistent with the public interest. Water Well Construction Permits ensure that groundwater resources are protected from contamination resulting from well-construction activities.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$16.5 million, which is \$0.8 million or 5.4 percent higher than FY2004 (see bar chart).

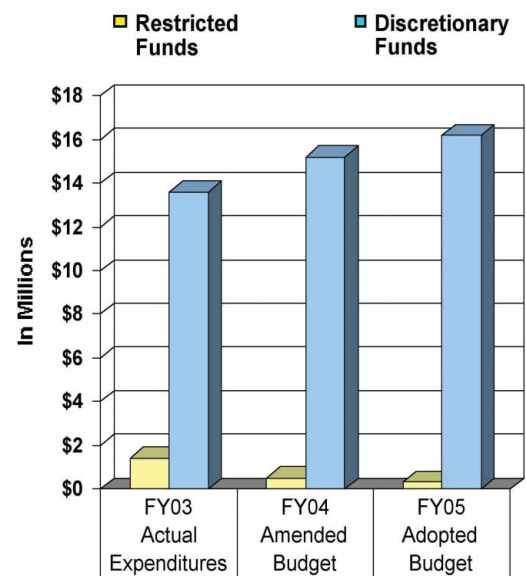
Discretionary Funds

The discretionary budget for this program totals \$16.2 million, which is \$1.1 million or 7.2 percent higher than FY2004. This increase is due primarily to increases in personal services and contract positions to support the Water Use permit renewal cycle, which will continue in FY2005.

Restricted Funds

The restricted funds for this program total \$0.3 million, which is \$0.3 million or 48.9 percent lower than FY2004. The decrease is due primarily to no Florida Department of Transportation (FDOT) mitigation projects being budgeted in FY2005.

Three-Year Comparison








	FY03 Actual Expenditures	FY04 Amended Budget	FY05 Adopted Budget
Restricted Funds	\$1.4	\$0.5	\$0.3
Discretionary Funds	\$13.6	\$15.2	\$16.2
Total	\$15.0	\$15.7	\$16.5








FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
<u>Environmental Resource Permitting</u>					
Discretionary Funds	\$9,056,834	\$9,841,859	\$10,197,768	\$355,909	3.6
Restricted Funds	1,414,400	500,257	266,200	(234,057)	(46.8)
Subtotal All Sources	10,471,234	10,342,116	10,463,968	121,852	1.2
<u>Water Use Permitting</u>					
Discretionary Funds	3,833,736	4,485,993	5,061,128	575,135	12.8
Restricted Funds	0	20,300	0	(20,300)	(100.0)
Subtotal All Sources	3,833,736	4,506,293	5,061,128	554,835	12.3
<u>Program Support</u>					
Discretionary Funds	700,010	831,833	994,310	162,477	19.5
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	700,010	831,833	994,310	162,477	19.5
<u>Total</u>					
Discretionary Funds	13,590,580	15,159,685	16,253,206	1,093,521	7.2
Restricted Funds	1,414,400	520,557	266,200	(254,357)	(48.9)
Total	\$15,004,980	\$15,680,242	\$16,519,406	\$839,164	5.4

FY2004 Accomplishments

-  The department continued to evaluate Environmental Resource Permit applications to ensure dredge-and-fill activities and land development projects do not cause adverse environmental, water quality and water quantity impacts.
- Coordination of the review of permit applications with Comprehensive Everglades Restoration Plan Project Managers continued.
-  Coordination efforts continued with the FDOT Program to compensate for wetland impacts identified in long-range transportation plans.
-  Evaluation of Water Use Permit applications continued to ensure safe, efficient, equitable and reliable development of Florida's water resources.
-  Development of the Water Use permit-analysis database continued. This database will analyze performance data, such as withdrawals, water levels and water quality measurements to determine how water uses are performing and to ensure the safety of the resource. The database will automatically generate reports to alert staff of potential compliance issues. This database will also support the Water Use permit renewal cycle, which began in FY2004 and continue through FY2009.
-  Training was provided for the environmental consulting community, local government staff and District staff on use of recently adopted Uniform Mitigation Assessment Methodology for the determination of mitigation amounts. The Uniform Mitigation Assessment Rule was implemented as part of the Environmental Resource Permit review process.

FY2005 Work Plan Objectives

-  Review of approximately 575 permit applications will be complete per quarter.
-  An average of 2,125 compliance inspections will be conducted per quarter.
-  Partial environmental resource-permit (ERP) delegation to Miami-Dade and Collier Counties will be complete by the third quarter.
-  Ninety percent of current construction certifications will be complete by the fourth quarter.
-  Review of approximately 475 permit applications will be complete per quarter.
-  Approximately 310 compliance investigations will be conducted per quarter.
-  Review of approximately 950 water-use renewal applications for the Lower West Coast Basins A, B and C will be complete by the fourth quarter.



St. Lucie Inlet

Strategic Goals

Provide fair, consistent and timely review of permit applications in accordance with the adopted rules and criteria of the District

Ensure compliance with issued permits

Take enforcement action where necessary

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
ERP General and Individual	1,646	1,658	1,658	1,658	1,658
ERP Noticed GPs, Letter Mods, Transfers, Early Works	707	780	780	780	780
Total ERP Permits and Applications Processed	2,353	2,438	2,438	2,438	2,438
Total Inspections	8,781	8,800	8,800	8,800	8,800
Total Environmental Inspections	2,324	2,300	2,300	2,300	2,300
Percent in Compliance	68%	70%	70%	70%	70%
Total Engineering Inspections	6,457	6,500	6,500	6,500	6,500
Percent in Compliance	89%	90%	90%	90%	90%
Current Certifications Processed	575	675	775	875	975
Backlog Certifications Processed	886	865	865	865	865
Enforcement Cases Processed	137	140	140	140	140
Water Use General and Individual	1,523	1,701	1,701	1,701	1,701
Basin Renewals		382	941	340	606
WU Well Construction, Transfers, Letter Mods	460	546	546	546	546
Total Water Use Permit Applications Processed	1,983	2,629	3,188	2,587	2,853



Water Supply Program

“The noblest of elements is water.”
Ancient Proverb

Program Budget: \$23.4 million • Staffing Complement: 71



Dam on the Loxahatchee River

Program Description

Water Supply Program personnel are responsible for the District's evaluation of long-term water supply needs, and the planning and development of needed water-resource development projects. Pursuant to the requirements of the Florida Water Resources Act, four regional water supply plans have been implemented to meet the water supply needs of present and future populations, and of agricultural and natural systems. Computer modeling evaluates the effectiveness of these proposed solutions to meet projected human demands and environmental requirements.

Additional Water Supply Program responsibilities include the development of major-ecosystem environmental targets that are

incorporated into planning and permitting efforts; and the encouragement of water conservation through a combination of strategies, including regulatory and financial incentives. The program also coordinates with comprehensive planning efforts by local government, creating links between land use and water supply planning. Florida Statute requires that Minimum Flows and Levels (MFL) and Water Reservations for natural systems are developed to ensure the sustainability of water resources. If these established minimum targets cannot be met, Water Supply Program personnel step in and develop recovery solutions.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$23.4 million, which is \$4.0 million or 20.6 percent higher than FY2004 (see bar chart).

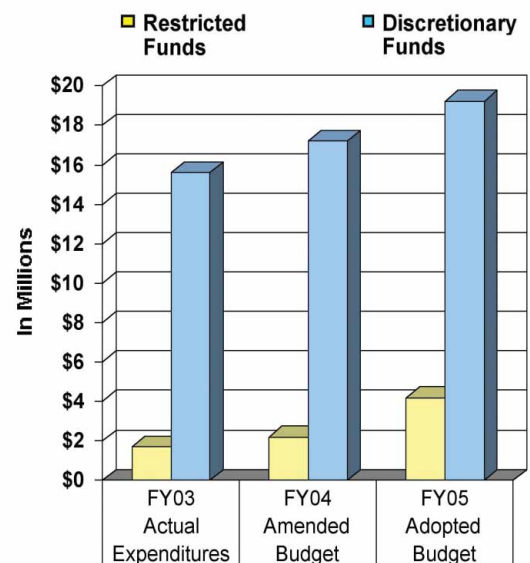
Discretionary Funds

The discretionary budget for this program totals \$19.2 million, which is \$2 million or 11.9 percent higher than FY2004. This increase is due primarily to local water resources projects and increased alternative water supply grant funding resulting from the allocation of more funds to these Governing Board priorities.

Restricted Funds

The restricted funds for this program total \$4.2 million, which is \$1.9 million or 88.4 percent higher than FY2004. This increase is due primarily to the increase of state funded water resources projects this year.

Three-Year Comparison



	FY03 Actual Expenditures	FY04 Amended Budget	FY05 Adopted Budget
Restricted Funds	\$1.7	\$2.2	\$4.2
Discretionary Funds	\$15.6	\$17.2	\$19.2
Total	\$17.3	\$19.4	\$23.4

FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
<u>Planning</u>					
Discretionary Funds	\$6,841,755	\$6,862,805	\$5,956,478	(\$906,327)	(13.2)
Restricted Funds	589,343	0	0	0	N/A
Subtotal All Sources	7,431,098	6,862,805	5,956,478	(906,327)	(13.2)
<u>Implementation Projects</u>					
Discretionary Funds	1,193,043	1,456,552	6,848,144	5,391,592	370.2
Restricted Funds	1,070,854	2,205,948	72,614	(2,133,334)	(96.7)
Subtotal All Sources	2,263,897	3,662,500	6,920,758	3,258,258	89.0
<u>Minimum Flows & Levels</u>					
Discretionary Funds	465,529	1,016,160	834,841	(181,319)	(17.8)
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	465,529	1,016,160	834,841	(181,319)	(17.8)
<u>Water Conservation</u>					
Discretionary Funds	1,196,112	1,386,542	1,657,917	271,375	19.6
Restricted Funds	75,000	0	63,828	63,828	100.0
Subtotal All Sources	1,271,112	1,386,542	1,721,745	335,203	24.2
<u>Alternative Water Supply Projects</u>					
Discretionary Funds	3,562,729	4,814,008	2,110,361	(2,703,647)	(56.2)
Restricted Funds	0	0	4,000,000	4,000,000	N/A
Subtotal All Sources	3,562,729	4,814,008	6,110,361	1,296,353	26.9
<u>Program Support</u>					
Discretionary Funds	2,294,086	1,673,684	1,843,097	169,413	10.1
Restricted Funds	0	0	18,521	18,521	N/A
Subtotal All Sources	2,294,086	1,673,684	1,861,618	187,934	11.2
<u>Total</u>					
Discretionary Funds	15,553,254	17,209,751	19,250,838	2,041,087	11.9
Restricted Funds	1,735,197	2,205,948	4,154,963	1,949,015	88.4
Total	\$17,288,451	\$19,415,699	\$23,405,801	\$3,990,102	20.6



FY2004 Accomplishments

- Update of the Upper East Coast Water Supply Plan was completed in June 2004, including public workshops and other related activities.
- The public workshop process and related planning and analyses began in an effort to update the Kissimmee Basin, Lower West Coast and Lower East Coast Regional Water Supply Plans.
- Ongoing water-resource development projects continued.
- Two formal commitments and partnership agreements for Regional Irrigation Distribution System were acquired.
- Discussions were facilitated for a proposed desalination plant that could be co-located with an electric generation facility in southwest Florida.
- Conservation of water was increased through sponsorship of urban and agricultural Mobile Irrigation Labs within various counties in the District's jurisdiction. A new urban lab was established in Broward County, bringing the total number of labs to nine. These labs completed 1,032 evaluations.



Mobile Lab technician installing irrigation pipes

- Rule development was authorized by the Governing Board to establish an initial reservation for the northwest fork of the Loxahatchee River.
- Model application support was provided for structural and natural system components of the Northern Palm Beach County Comprehensive Water Management Program, which includes the Loxahatchee River.
- Coordination took place between the St. Johns River Water Management District and the District regarding permitting, rulemaking and water supply planning efforts in East Central Florida.
- Extensive technical assistance was provided to local governments regarding linking land use and water supply planning issues.
- Public workshops were conducted to support establishment of Minimum Flows and Levels (MFL) for Central and South Central regions of Biscayne Bay.
- Ongoing planning and analyses were performed to establish MFLs for Biscayne Bay, Lake Istokpoga and Florida Bay.
- Mapping and description of the hydrogeologic framework of the Florida Aquifer System was completed from Orlando, south to the Florida Keys.
- Implementation of key elements of the Northern Palm Beach County Comprehensive Water Management Plan was accomplished, in conjunction with the Comprehensive Everglades Restoration Program, to improve water flows in the northwest fork of the Loxahatchee River by 2006.
- Cooperative agreements were initiated for 32 capital projects under the Alternative Water Supply Funding Program.
- Public workshops were held and seven non-capital, water-saving technology projects were initiated in the Water Savings Incentive Program.
- The District endorsed the Joint Statement of Commitment, an effort to coordinate statewide water conservation measures and planning.

FY2005 Work Plan Objectives

- Updated water supply plans for the Kissimmee Basin, Lower East Coast and Lower West Coast will be complete by the fourth quarter.
- Economic analyses of identified water supply plan options will be complete by the fourth quarter.
- Review of Comprehensive Plans from 120 local governments will be complete by the fourth quarter.
- Review of Evaluation and Appraisal Reports from 40 local governments will be complete by the fourth quarter.
- Review of 10-year water supply facility work plans for 10 local governments will be complete by the fourth quarter.
- Implementation of Local Government Sub-Regional Water Supply/Water Resource Development projects will be complete by the fourth quarter.
- Analysis and recommendations on the Canal 25/St. Johns River connection feasibility will be complete by the fourth quarter.
- Design of top-ranked projects for the Regional Irrigation Distribution System (RIDS) will be complete by the fourth quarter.
- Technical documents establishing MFL for Florida Bay, Biscayne Bay and Lake Istokpoga will be complete by the fourth quarter.
- Water conservation efforts, including the Mobile Irrigation Lab Program and the Water Savings Incentive Program, will be complete by the fourth quarter.
- Financial support for alternative water supply projects within the District will be provided throughout the year.



Strategic Goals

Ensure an adequate supply of water to protect and enhance natural systems

Meet all existing reasonable and beneficial uses, while sustaining water resources for future generations

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
Water Made Available Through Alternative Water Supply Grant Program (by Water Supply Planning Region)					
Lower East Coast	34.51	55.18	39.19	56	61
Lower West Coast	9.45	30.59	11.24	9	10
Upper East Coast	1.25	8.33	5.02	4	4
Kissimmee Basin	0.00	7.70	10.71	5	6
Total Million Gallons Per Day (MGD) Made Available	45.21	101.80	66.16	74	81
Submittal of an Annual Report on Whether the Establishment of MFLs has been Accomplished Within Each Calendar Year -- This Report is Completed at the End of the Second Quarter of Each Fiscal Year (January-March).	St. Lucie River Estuary and Northwest Fork of the Loxahatchee River (Total of 2)			Total of 4 MFLs	Total of 14 MFLs
Water Savings Incentive Funding Program Total Million Gallons Per Year(MGY)	171	140	374	745	1120
Mobile Irrigation Lab Savings (MGY)	657	792	900	950	1,000
Alternative Water Supplies Total Million Gallons Per Day (MGD)	45.21	101.8	66.16	74	81
Wastewater Treatment Facility WWTF Capacity (MGD)	1,036	1,036	1,041	1,046	1,051
WWTF Flow (MGD)	798	805	813	821	829
Volume Reused (MGD)	219	227	238	246	256
Percent Total Available Actually Reused	27%	28%	29%	30%	31%

A photograph of a sunset over a field of tall grass. The sun is a bright yellow orb in the upper center, casting a warm glow across the sky. The grass in the field is silhouetted against the bright light, creating a textured pattern of vertical lines. In the foreground, a large, dark bush is silhouetted, its branches and leaves clearly visible. The overall scene is peaceful and natural.

Operations and Maintenance

R e s o u r c e A r e a

Operations and Maintenance Management Team



George L. Horne
*Deputy Executive
Director*



Fred W. Remen
*South Field Operations
Director*



John R. Adams
*North Field Operations
Director*



Bob Howard
*Operations Control
Director*



Radu Alex Damian
*Central Field Operations
Director*



J. Robb Startzman
*Hydraulics and Hydrology
Director*

Operations and Maintenance

Mission Statement

Our mission is to ensure consistent implementation of the strategic policy direction of Central and Southern Florida Project operations and maintenance, the Works of the District and the Everglades Construction Project.

Operations and Maintenance

Operations and Maintenance (O&M) management establishes the strategic direction for operation and maintenance of the regional flood control system, including directing policy initiatives to ensure cohesive policy implementation and evaluation. O & M staff design, install and repair environmental data recording instrumentation that form a complex hydro-meteorological monitoring network, and inspect and interpret data from data recording stations. They also

perform stream-flow measurements and flow computations at major water control structures; manage and restore the District's resources through hazardous-, exotic- and aquatic-plant management; provide technical and engineering expertise to assure continued operations of existing infrastructure; and identify and conduct preliminary assessment of future capital projects. Additionally, they manage the District-wide vehicle fleet, which includes supplying services and standardizing vehicles. Also under O&M control is industrial engineering, which creates Standard Operating Procedures and provides standardization, tracking and analysis for a variety of District projects. Lastly, business process services oversees fiscal management, monitoring of contracts and Governing Board agenda items, and workforce planning and staffing analysis



G-310 structure

FY2004 to FY2005 Resource Area Variance

	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
BY EXPENSE TYPE					
Personal Services	\$31,514,243	\$34,403,592	\$38,810,975	\$4,407,383	12.8
Operating/Self Insurance	24,217,948	21,972,778	21,386,426	(586,352)	(2.7)
Contracts	16,286,619	25,756,144	32,184,574	6,428,430	25.0
Capital	13,830,996	21,371,245	38,293,346	16,922,101	79.2
Reserves	0	0	500,000	500,000	100.0
Total	\$85,849,806	\$103,503,759	\$131,175,321	\$27,671,562	26.7
BY FUND					
District – General	\$6,532,622	\$7,427,387	\$13,266,921	\$5,839,534	78.6
Okeechobee Basin – Special Revenue	48,815,759	52,719,549	60,641,950	7,922,401	15.0
Big Cypress Basin	29,377	255,113	161,420	(93,693)	(36.7)
Save Our Rivers	1,335,240	4,322,674	369,710	(3,952,964)	(91.4)
State Appropriations Non-Land	3,585,326	0	81,715	81,715	100.0
Invasive Plant Control	11,693,501	2,711,369	2,405,289	(306,080)	(11.3)
Melaleuca Management	1,826,572	3,000,000	3,000,000	0	0.0
Wetlands Mitigation	570,154	864,849	8,890	(855,959)	(99.0)
External Grant	0	350,000	200,000	(150,000)	(42.9)
STA O&M	3,713,002	9,145,400	12,213,326	3,067,926	33.5
Lake Okeechobee Trust	949,810	0	101,750	101,750	100.0
District – Capital	110,123	0	0	0	N/A
Okeechobee Basin – Capital	4,419,464	18,094,600	32,872,000	14,777,400	81.7
Everglades Restoration Trust	928,119	1,363,724	3,351,987	1,988,263	145.8
Florida Bay	0	0	8,738	8,738	100.0
CERP – Ad Valorem	1,340,737	2,799,094	1,929,125	(869,969)	(31.1)
CERP – Federal	0	450,000	562,500	112,500	(100.0)
Total	\$85,849,806	\$103,503,759	\$131,175,321	\$27,671,562	26.7



Operations and Maintenance Program

“Water, taken in moderation,
cannot hurt anybody.”

Author Unknown

Program Budget: \$145.5 million • Staffing Complement: 569



Canal bank improvements

Program Description

Operations and Maintenance (O&M) Program personnel manage primary canals and associated structures in South Florida. O&M Program projects include the Central and Southern Florida (C&SF) Project, as well as Big Cypress Basin projects, as authorized by Chapter 373 of the Florida Statutes and the U.S. Army Corps of Engineers.

Program activities include operation and maintenance of 500 water control structures, 50 pump stations, and the management of 1,969 miles of canals and levees, consisting of 1,800 miles in the C&SF Project and 169 miles in the Big Cypress Basin.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$145.5 million, which is \$22.6 million or 18.3 percent higher than FY2004 (see bar chart).

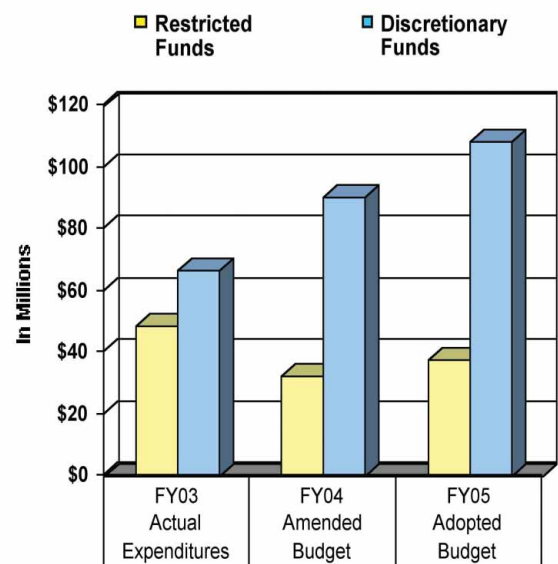
Discretionary Funds

The adopted discretionary budget for this program totals \$108 million, which is \$17.5 million or 19.4 percent higher than FY2004. This increase is due primarily to fleet equipment replacement, aquatic/exotic plant management; and Governing Board strategic priorities, such as C&SF capital structure refurbishment.

Restricted Funds

The restricted funds for this program total \$37.5 million, which is \$5 million or 15.5 percent higher than FY2004. This increase is due primarily to Big Cypress Basin capital projects, including water control structures, land improvement and land easements.

Three-Year Comparison



	FY03 Actual Expenditures	FY04 Amended Budget	FY05 Adopted Budget
Restricted Funds	\$48.5	\$32.5	\$37.5
Discretionary Funds	\$66.7	\$90.5	\$108.0
Total	\$115.2	\$123.0	\$145.5

FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
Capital Projects					
Discretionary Funds	\$7,936,514	\$24,155,607	\$36,176,983	\$12,021,376	49.8
Restricted Funds	33,117,632	21,208,390	30,038,549	8,830,159	41.6
Subtotal All Sources	41,054,146	45,363,997	66,215,532	20,851,535	46.0
Contamination Assessments and Remediation					
Discretionary Funds	27,410	61,729	166,145	104,416	169.2
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	27,410	61,729	166,145	104,416	169.2
Structure Operations					
Discretionary Funds	9,805,564	12,542,810	12,429,544	(113,266)	(0.9)
Restricted Funds	29,291	0	93,836	93,836	100.0
Subtotal All Sources	9,834,855	12,542,810	12,523,380	(19,430)	(0.2)
Structure and Pump Station Maintenance and Refurbishment					
Discretionary Funds	11,079,369	12,420,786	13,865,226	1,444,440	11.6
Restricted Funds	127,414	138,153	261,876	123,723	89.6
Subtotal All Sources	11,206,783	12,558,939	14,127,102	1,568,163	12.5
Canal/Levee Maintenance					
Discretionary Funds	10,784,003	11,765,143	12,127,405	362,262	3.1
Restricted Funds	192,718	770,509	485,733	(284,776)	(37.0)
Subtotal All Sources	10,976,721	12,535,652	12,613,138	77,486	0.6
Equipment Maintenance					
Discretionary Funds	1,963,628	2,368,461	2,452,406	83,945	3.5
Restricted Funds	133,753	177,233	48,000	(129,233)	(72.9)
Subtotal All Sources	2,097,381	2,545,694	2,500,406	(45,288)	(1.8)
Electronics/Communication and Control					
Discretionary Funds	10,318,015	11,166,164	11,544,086	377,922	3.4
Restricted Funds	52,599	510,714	176,879	(333,835)	(65.4)
Subtotal All Sources	10,370,614	11,676,878	11,720,965	44,087	0.4
Exotic/Aquatic Plant Control					
Discretionary Funds	6,738,163	6,307,867	9,283,288	2,975,421	47.2
Restricted Funds	14,170,928	9,300,906	6,055,784	(3,245,122)	(34.9)
Subtotal All Sources	20,909,091	15,608,773	15,339,072	(269,701)	(1.7)
Right-of-Way Management					
Discretionary Funds	1,344,275	2,049,074	1,949,166	(99,908)	(4.9)
Restricted Funds	116,969	141,640	178,963	37,323	26.4
Subtotal All Sources	1,461,244	2,190,714	2,128,129	(62,585)	(2.9)
General Maintenance					
Discretionary Funds	2,578,274	2,472,372	2,517,149	44,777	1.8
Restricted Funds	1,100	600	73,653	73,053	12,175.5
Subtotal All Sources	2,579,374	2,472,972	2,590,802	117,830	4.8
Program Support					
Discretionary Funds	4,100,354	5,184,884	5,500,157	315,273	6.1
Restricted Funds	582,326	216,750	92,168	(124,582)	(57.5)
Subtotal All Sources	4,682,680	5,401,634	5,592,325	190,691	3.5
Total					
Discretionary Funds	66,675,569	90,494,897	108,011,555	17,516,658	19.4
Restricted Funds	48,524,730	32,464,895	37,505,441	5,040,546	15.5
Total	\$115,200,299	\$122,959,792	\$145,516,996	\$22,557,204	18.3












FY2004 Accomplishments

- Program personnel provided post-hurricane recovery support for other governmental agencies throughout Florida.
- The District's flood protection and emergency management operations performed at peak levels during a succession of major hurricanes this summer, ensuring that flooding was kept to a minimum throughout South Florida.
- The District made the news in a front-page article in The Washington Post, titled, "This Time, Man Defeated Nature: Florida's Flood-Control System Kept Frances from Swamping Plains."
- A manatee-protection system was installed on two gates at Structures 21A and 20F.
- Twenty-three major gate overhauls were performed.
- Land was acquired that will provide a new location for the Kissimmee Field Station.
- Structure 65A emergency bank erosion control was completed. These repairs were required after the hurricanes.
- Electrical upgrades were completed for Structures 70 and 99.
- Electrical rewiring was completed at Structure 65E, and building rewiring was completed at Buildings 39, 58 and 59 in Clewiston.
- Automated trash rakes were installed at Pump Stations S-7 and S-8.
- Electrical upgrades at Pump Station S-4 were completed.
- The Lake Tohopekaliga drawdown was completed.
- Monitoring was conducted at the Herbert Hoover Dam, in conjunction with the U.S. Army Corps of Engineers.
- Operation and maintenance activities were performed for the S-25B and S-26B Pump Stations; two STAs, including 88 remotely controlled gated structures; and five major pump stations.
- Twenty-six FY2004 major monitoring installation projects were completed.
- Sixty-seven monitoring installation projects remaining from FY2001 through FY2003 were completed.
- The National Geodetic Survey recognized the District for the CERP Program's completion of one of the first Height Modernization Projects in the nation.
- A comprehensive hydro-data expo, which provided information to our customers about how we do business, was conducted.
- Over 400 stream-flow measurements were performed during the active 2004 hurricane season.



Hurricane-related erosion repairs

FY2005 Work Plan Objectives

-  The construction of 52 capital projects will be complete by the fourth quarter.
-  Routine scheduled canal and levee maintenance will be complete by the end of the fourth quarter.
-  Implementation of a new modernized Water Management Supervisory Control and Data Acquisition (SCADA) system will be complete by the fourth quarter.
-  Analog radios will be replaced with digital radios at 25 monitoring sites by September 30. These upgraded radios will modernize electronic communication and improve data reporting capabilities.
-  Eleven major monitoring installation projects for the Everglades Construction Project, the Kissimmee River Restoration Project and the Comprehensive Everglades Restoration Project will be complete by the end of the fourth quarter.
-  The information systems portion of the Height Modernization Project, which provides database conversion from NGVD29 datum to NAVD88 datum, will be implemented by the end of the year.
-  Overhauls of 27 pump stations and gate structures will occur throughout the year. The majority of overhauls will be complete between the first and third quarters.
-  Electronic communication installation on 121 environmental monitoring sites and maintenance on 900 sites will be complete by the fourth quarter.
-  Maintenance of approximately 30,000 acres of levees and canal banks will be complete by the end of the fourth quarter.
-  Preventive maintenance will be performed on approximately 300 pieces of equipment by the end of the fourth quarter.
-  Approximately 47,000 acres of aquatics and exotic vegetation will be treated by the end of the fourth quarter.

Strategic Goals

Minimize damage from flooding

Provide adequate regional water supply

Protect and restore the environment by optimally operating and maintaining the primary flood control and water supply system

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
Capital Projects Completed	21	35	52	40	45
Acre Feet of Water Moved Annually	19m	19m	19m	19m	19m
Completed Overhauls of Pump Stations and Gate Structures	23	23	27	30	33
Acres of Levees and Canal Banks Maintained/Cycles Completed	30,169/4	30,169/4	30,169/4	30,169/4	30,169/4
Acres of Vegetation Treated Annually	103,335	77,282	80,373	83,588	86,932
Scheduled Telemetry Installations Completed/Sites Maintained	68/904	105/1015	94/1104	115/1219	70/1289
Right-of-Way Permits Processed	382	330	350	368	386
General Maintenance Tasks Complete	2014	2014	2014	2014	2014
Heavy Equipment Repair/Vehicle Equipment Repair	133/161	133/161	133/161	133/161	133/161
Containment/Remediation Fuel Tank Placards Obtained	48	48	48	49	49
Hydrological Monitoring Sites Rebuilt	25	25	25	25	25
Stream-flow Measurements Completed	400	400	400	400	400

A photograph of a wetland area. The foreground is filled with tall, green and yellowish grasses growing in shallow water. In the background, there is a dense line of trees, including several tall, slender pine trees and some shorter, leafier trees. The sky is a clear, pale blue with a few wispy clouds. The overall scene is a natural, undisturbed landscape.

Land Resources

R e s o u r c e A r e a



Land Resources Management Team



Pamela Mac'Kie
*Land Resources
Deputy Executive Director*



Ruth Clements
Land Acquisition Director



John Dunnuck
*Land Management and
Operations Director*

Mission Statement

Our mission is to provide policy direction and oversight to the District's land acquisition and management programs; in addition to serving as the information intermediary between the District and its many local, state and federal government partners; and between the District's land resource efforts and the Governing Board.



Purple Gallinule

Land Resources

Land Resources functions include acquiring significant tracts of land needed for important environmental projects, such as the restoration of the Kissimmee River and the Comprehensive Everglades Restoration Project, and for mitigation of rock mining and other wetland impacts. Restoration and preservation of natural resources, protection and improvement of water quality, managing the District's canal rights-of-way, and preserving and protecting important environmentally sensitive lands for present and future generations are also Land Resources priorities.

FY2004 to FY2005 Resource Area Variance

	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
BY EXPENSE TYPE					
Personal Services	\$6,695,206	\$7,130,815	\$7,616,371	\$485,556	6.8
Operating/Self Insurance	1,537,662	964,092	1,217,121	253,029	26.2
Contracts	5,282,244	14,315,319	9,176,609	(5,138,710)	(35.9)
Capital	174,054,750	218,758,358	220,425,160	1,666,802	0.8
Debt	43,181,932	4,006,905	5,843,430	1,836,525	45.8
Reserves	0	58,718	1,205,454	1,146,736	1,953.0
Total	\$230,751,794	\$245,234,207	\$245,484,145	\$249,938	0.1
BY FUND					
District – General	\$30,856	\$65,694	\$439,540	\$373,846	569.1
Okeechobee Basin	3,394,195	3,297,799	3,841,784	543,985	16.5
Big Cypress Basin – Special Revenue	25,654	42,302	35,809	(6,493)	(15.3)
Save Our Rivers – Special Revenue	49,634,013	15,270,938	15,967,361	696,423	4.6
State Appropriations Non – Land	3,125,333	0	0	0	N/A
Wetlands Mitigation	3,635,111	8,962,298	10,734,800	1,772,502	19.8
External Grant	75,907	224,000	1,066,000	842,000	375.9
Lake Belt Mitigation	129,464	1,521,486	3,400,000	1,878,514	123.5
District – Capital	0	0	20,000,000	20,000,000	100.0
Okeechobee Basin – Capital	0	0	200,000	200,000	100.0
Big Cypress Basin – Capital	1,000	0	0	0	N/A
Save Our Rivers – Capital	42,455,745	44,072,685	38,289,082	(5,783,603)	(13.1)
Everglades Restoration Trust	975,393	0	39,738	39,738	100.0
Florida Bay	49,868	0	78,787	78,787	100.0
CERP – Ad Valorem	55,560,456	15,833,181	6,932,210	(8,900,971)	(56.2)
Federal Land Acquisition	7,471,934	5,623,800	0	(5,623,800)	(100.0)
Save Our Everglades Trust	61,276,606	103,990,203	123,411,135	19,420,932	18.7
CERP – Other Creditable Funds	2,810,259	46,329,821	21,047,899	(25,281,922)	(54.6)
Total	\$230,751,794	\$245,234,207	\$245,484,145	\$249,938	0.1



Land Stewardship Program

“There is nothing in which the birds
differ more from man than the way
they can build and yet leave a
landscape as it was before.”

Robert Lynd

Program Budget: \$57.1 million • Staffing Complement: 52



Bike riding along the Kissimmee River

Program Description

Land Stewardship Program personnel are responsible for the management of property and associated water areas owned or controlled by the District. The program began in 1981 with passage of Florida's Water Management Lands Trust Fund, which enabled the state's water management districts to buy land for water management, water supply, conservation and protection of water resources, and to make them available for appropriate public use. Since that time, the District and its acquisition partners have purchased 310,000 acres of environmentally sensitive lands. This is in addition to the 800,000 acres in three Water Conservation Areas that were acquired prior to 1981. Water resource projects, including those lands associated with the Comprehensive Everglades Restoration Plan (CERP), have added another 145,000 acres. The program has direct interim land-management responsibility for 13 projects, including two mitigation banks and several regional mitigation areas, and agreements or leases are established with other agencies or local governments for management of 133,000 acres of District-owned lands.

The Land Stewardship Program includes activities designed to restore lands to their natural condition, manage them in an environmentally acceptable manner and to provide public recreational opportunities compatible with protecting natural resources. Program activities include developing and implementing land management plans, controlling invasive exotic plants, restoring natural fire regimes and native communities, employing multiple use practices and opening lands for appropriate public use.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$57.1 million, which is \$6.3 million or 12.4 percent higher than FY2004 (see bar chart).

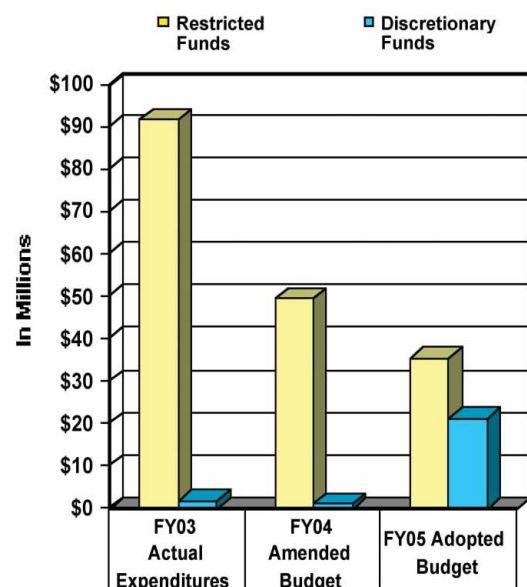
Discretionary Funds

The discretionary budget for this program totals \$21.4 million, which is \$20.2 million or 1,624.6 percent higher than FY2004. This increase is due primarily to local agency contribution to acquire environmentally sensitive lands. Also, additional staff resources were redirected to implement the District's new comprehensive Public Access and Recreation Policy.

Restricted Funds

The restricted funds for this program total \$35.7 million, which is \$13.9 million or 28 percent lower than FY2004. The decrease is due primarily to redirection of Save Our Rivers funds to other statutorily authorized uses in District programs.

Three-Year Comparison



	FY03 Actual Expenditures	FY04 Amended Budget	FY05 Adopted Budget
Restricted Funds	\$91.9	\$49.6	\$35.7
Discretionary Funds	\$1.8	\$1.2	\$21.4
Total	\$93.7	\$50.8	\$57.1

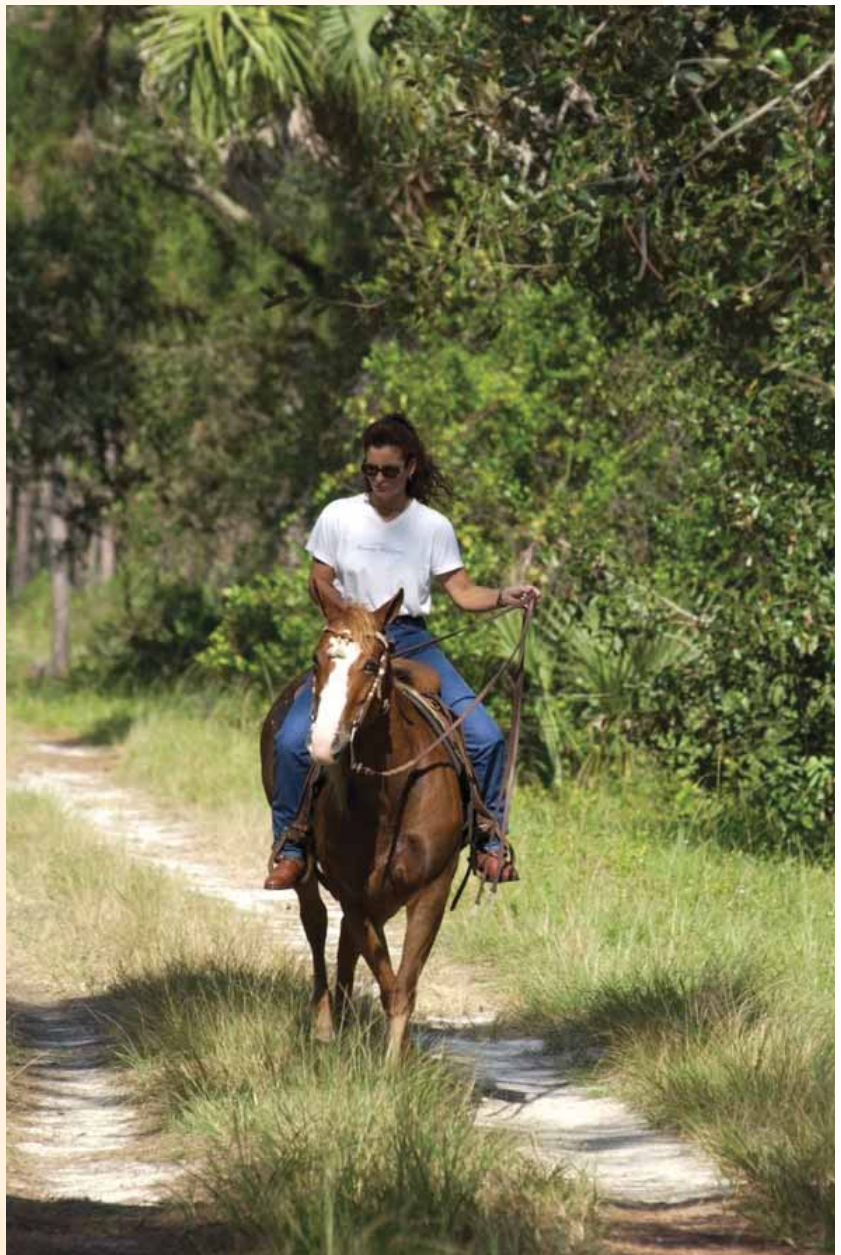
FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
Stewardship					
Discretionary Funds	13,855	\$0	\$82,991	\$82,991	100.0
Restricted Sources	6,951,763	19,600,203	7,363,407	(12,236,796)	(62.4)
Subtotal All Sources	6,965,618	19,600,203	7,446,398	(12,153,805)	(62.0)
Mitigation					
Discretionary Funds	78,709	20,491	10,926	(9,565)	(46.7)
Restricted Sources	4,419,633	21,467,179	14,540,410	(6,926,769)	(32.3)
Subtotal All Sources	4,498,342	21,487,670	14,551,336	(6,936,334)	(32.3)
Interim Management					
Discretionary Funds	\$433	\$0	\$20,000,000	20,000,000	100.0
Restricted Sources	1,407,942	6,353,779	6,302,972	(50,807)	(0.8)
Subtotal All Sources	1,408,375	6,353,779	26,302,972	19,949,193	314.0
Program Support					
Discretionary Funds	1,715,470	1,220,241	1,303,835	83,594	6.9
Restricted Sources	79,125,037	2,163,192	7,504,365	5,341,173	246.9
Subtotal All Sources	80,840,507	3,383,433	8,808,200	5,424,767	160.3
Total					
Discretionary Funds	1,808,467	1,240,732	21,397,752	20,157,020	1,624.6
Restricted Sources	91,904,375	49,584,353	35,711,154	(13,873,199)	(28.0)
Total	\$93,712,842	\$50,825,085	\$57,108,906	\$6,283,821	12.4



FY2004 Accomplishments

-  Approval was obtained from the Governing Board in June 2004 for a lease with the City of Belle Glade to dedicate nearly 700 acres of Torry Island for hiking, bicycling and restoration. In August, the Board approved an agreement with the city to help fund the planning, design and implementation of an education center and recreation facilities on Torry Island.
-  We worked with the state and hunt camp owners to negotiate 20-year leases approved, by Governing Board in the first quarter of FY2004. As a result, 16 of the 17 camps on District lands were brought under lease.
-  District-escorted field trips and birding tours into Storm Treatment Areas (STA) 1W and 5 were initiated.
-  The first Loxahatchee mitigation-bank revenue check for \$205,000 was received in May 2004. This revenue was the result of a public/private partnership created to implement a mitigation bank that restores 1,256 acres and generates revenue at no cost to taxpayers.
-  A mitigation bank permit was issued by the Department of Environmental Protection in June 2004 for the Corkscrew Regional Ecosystem Watershed. This means the District can now begin restoration and have credits issued. Construction is expected to begin in the third quarter.
-  We collaborated with the Water Resources Advisory Committee to adopt a far-reaching policy that opens District lands to recreation where practical.
-  Management plans were adopted by the Governing Board for DuPuis Management Area and Kissimmee Chain of Lakes. Draft plans were completed for Allapatah and Cypress Creek.
-  Goals for exotic control and prescribed burning were exceeded. Prescribed burns were conducted and exotics were treated on 27,000 acres of land.
-  Seventy-five-thousand nursery items were donated to governmental agencies within Broward County to reduce the operational expenses associated with the disposal of purchased nursery stock material.



Horseback riding in Dupuis Management Area

FY2005 Work Plan Objectives

- Management plans for the Allapattah, Kissimmee River, Model Lands, Shingle Creek and Nicodemus Slough will be complete by the fourth quarter.
- Restoration of over 500 acres of degraded habitat in the Shingle Creek, Lake Kissimmee and Kissimmee River project areas will be complete by the fourth quarter.
- The Public Access and Recreation Policy for STA public access will be implemented by the fourth quarter.
- The restoration of 1,000 acres of wetlands will be complete by the fourth quarter.
- Treatment of 30,000 acres of land occupied by exotic vegetation will be complete by the fourth quarter.
- Prescribed burns for 15,000 acres of land will be complete by the fourth quarter.
- Acquisition of land for Lake Belt mitigation and regional offsite mitigation will be complete by the fourth quarter.



Shingle Creek

Strategic Goals

Restore conservation and preservation lands to their natural condition

Provide compatible public access

Manage lands for other programs, prior to their intended use

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
Acres of Prescribed Burns	19,000	27,315	18,580	18,580	18,580
Acres Treated for Exotic Plant Control	38,700	37,500	65,678	65,378	65,378
Acres Restored	10,388	34,007	2,850	3,000	5,000
Acres Restored or Created for Public Recreation	143,716	150,000	160,000	170,000	180,000
Acres Restored as Mitigation	11,000	13,000	5,000	17,000	20,000
BMPs Developed for Interim Lands	6	10	5	5	5
Property Inspections	160	167	120	120	120



Corporate Resources

R e s o u r c e A r e a



Corporate Resources

Mission Statement

Our mission is to provide the highest quality and most cost-effective business and technical services that will enable our customers and employees to succeed.

Corporate Resources Management Team



Thomas W. Olliff
Corporate Resources Deputy Executive Director



Sharon Trost
Information Technology Director



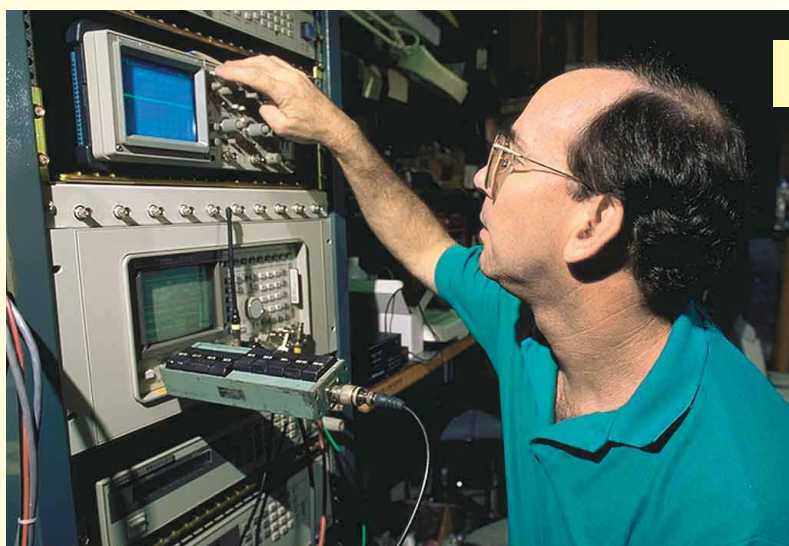
Paul Dumars
Finance and Administration Director



Sandra Turnquest
Human Resource Solutions Director



Frank Hayden
Procurement Director



Working on electronic equipment

Corporate Resources

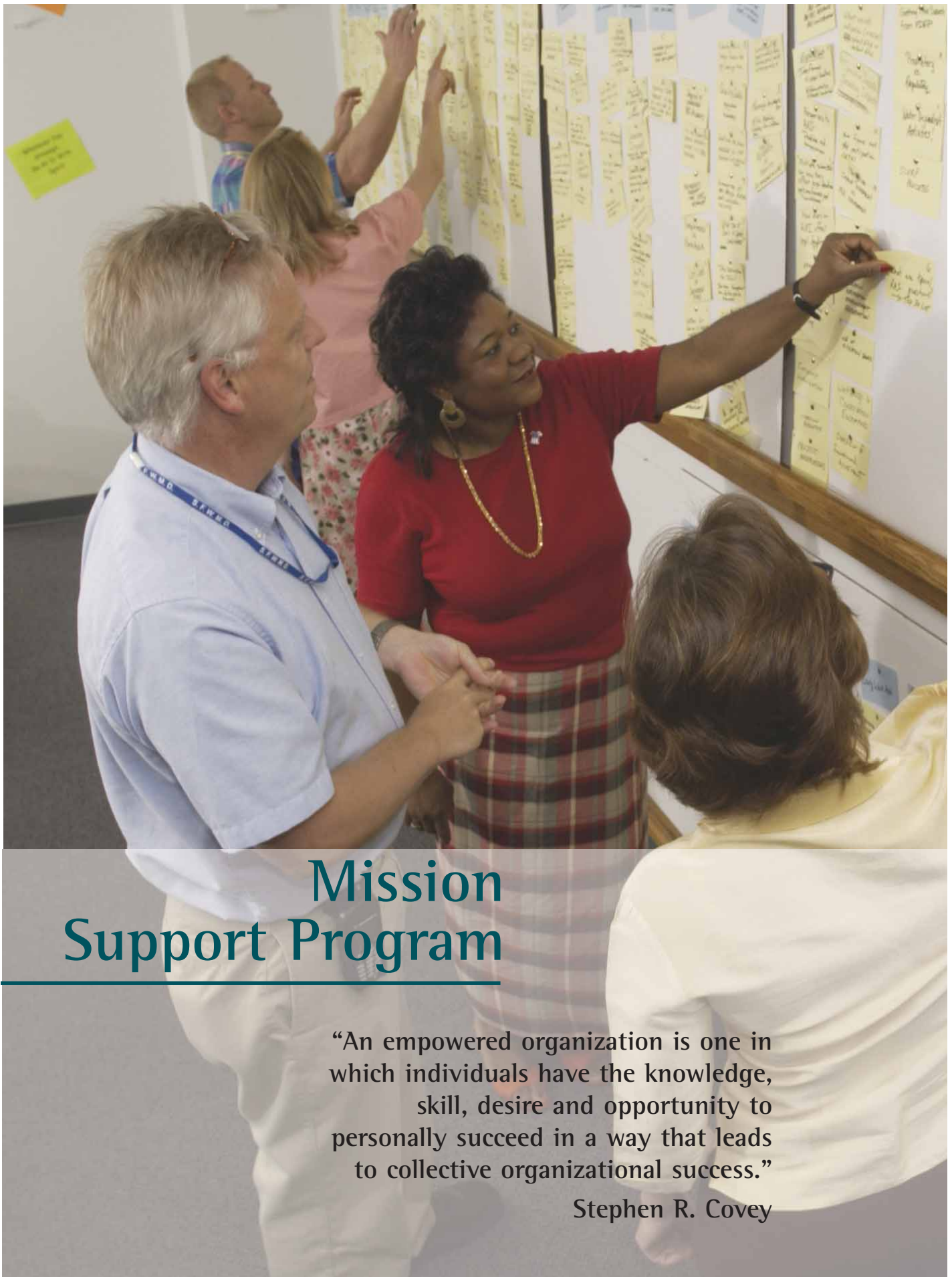
Corporate Resources encompasses diverse service areas, including general services, emergency management and security, project management, District records maintenance, finance and administration, information technology, human resources, and procurement.

As the core provider of the District's day-to-day needs, Corporate Resources delivers services that are at the heart of District operations. Functions such as human resources; procurement of goods; implementation and maintenance of all IT and business systems; development of fiscal policies; support for the development of the Strategic Plan, Work Plan, budget and other financial information;

and project management are all within the area's control. Employee safety is ensured through emergency management and security, and facilities are expertly managed, further ensuring the efficient and safe operation of the District.

FY2004 to FY2005 Resource Area Variance

	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
BY EXPENSE TYPE					
Personal Services	\$28,080,217	\$28,267,040	\$32,493,916	\$4,226,876	15.0
Operating/Self Insurance	13,512,687	6,618,007	8,968,463	2,350,456	35.5
Contracts	18,229,980	24,382,507	26,749,006	2,366,499	9.7
Capital	7,986,296	7,147,300	20,022,888	12,875,588	180.1
Reserves	0	6,930,627	5,907,279	(1,023,348)	(14.8)
Total	\$67,809,180	\$73,345,481	\$94,141,552	\$20,796,071	28.4
BY FUND					
District – General	\$46,052,857	\$47,620,391	\$59,421,667	\$11,801,276	24.8
Okeechobee Basin – Special Revenue	5,184,750	9,088,410	11,938,159	2,849,749	31.4
Big Cypress Basin – Special Revenue	3,465,168	439,905	470,750	30,845	7.0
Save Our Rivers – Special Revenue	1,395	48,250	207	(48,043)	(99.6)
External Grant	0	3,300	0	(3,300)	(100.0)
State Appropriations Non-Land	2,016,869	0	0	0	N/A
Alternative Water Supply	300,000	0	0	0	N/A
STA O&M	1,100	8,555	0	(8,555)	(100.0)
District – Capital	2,421,726	9,840,147	11,219,105	1,378,958	14.0
Okeechobee Basin – Capital	31,103	0	0	0	N/A
Big Cypress Basin – Capital	3,704,101	0	0	0	N/A
Save Our Rivers – Capital	427,686	1,744,500	6,203,372	4,458,872	255.6
Everglades Restoration Trust	688,120	765,577	936,049	170,472	22.3
FEMA	4,262	0	0	0	N/A
Florida Bay	0	12,000	0	(12,000)	(100.0)
CERP – Ad Valorem	74,556	2,411	0	(2,411)	(100.0)
Self Insurance	3,435,487	3,772,035	3,952,243	180,208	4.8
Total	\$67,809,180	\$73,345,481	\$94,141,552	\$20,796,071	28.4



Mission Support Program

“An empowered organization is one in which individuals have the knowledge, skill, desire and opportunity to personally succeed in a way that leads to collective organizational success.”

Stephen R. Covey

Program Budget: \$96.1 million • Staffing Complement: 418

Program Description



The Government Finance Officers Association presents the District with the Distinguished Budget Presentation Award

The Mission Support Program includes functions that are the backbone of the District's communications with employees, governmental agencies and the outside world. These functions include executive management, human resources, legal and ombudsman services, financial management, risk assessment, environmental technical assistance, procurement, facilities management, legislative affairs, emergency management, information technology, flight operations, security management, strategic planning, public information and outreach.

Explanation of FY2005 Funding Increases/Decreases

Total Budget

In total (i.e., discretionary and restricted funds combined), the FY2005 adopted budget for this program is \$96.1 million, which is \$14.7 million or 18.1 percent higher than FY2004 (see bar chart).

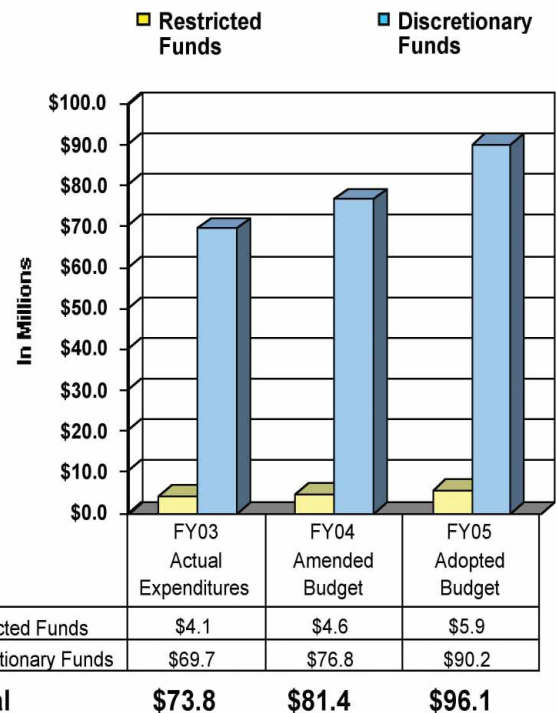
Discretionary Funds

The discretionary budget for this program totals \$90.2 million, which is \$13.5 million or 17.6 percent higher than FY2004. This increase is due primarily to the consolidation of District-wide information technology and various construction projects, both at headquarters and in service centers. Information technology resources are proposed for increased levels of support in the areas of project management, e-permitting, data management, hardware/software maintenance, systems administration, Geographic Information Systems data management, telecommunications and outsourced security components. Construction projects include facilities improvements and several initiatives to save energy.

Restricted Funds

The restricted funds for this program total \$5.9 million, which is \$1.2 million or 26.3 percent higher than FY2004. This increase is due primarily to the realignment of Big Cypress Basin water-resource outreach projects to the Mission Support Program.









Three-Year Comparison



FY2004 to FY2005 Program Variance

Program	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
Environmental Technical Assistance					
Discretionary Funds	\$1,587,588	\$1,816,641	\$2,092,297	\$275,656	15.2
Restricted Funds	0	0	20,000	20,000	100.0
Subtotal All Sources	1,587,588	1,816,641	2,112,297	295,656	16.3
Business Administration					
Discretionary Funds	66,050,989	68,839,151	79,647,772	10,808,621	15.7
Restricted Funds	4,078,875	4,634,102	5,832,881	1,198,779	25.9
Subtotal All Sources	70,129,864	73,473,253	85,480,653	12,007,400	16.3
Mission Support Major Projects					
Discretionary Funds	2,083,566	6,093,637	8,509,640	2,416,003	39.6
Restricted Funds	0	0	0	0	N/A
Subtotal All Sources	2,083,566	6,093,637	8,509,640	2,416,003	39.6
Total					
Discretionary Funds	69,722,143	76,749,429	90,249,709	13,500,280	17.6
Restricted Funds	4,078,875	4,634,102	5,852,881	1,218,779	26.3
Total	\$73,801,018	\$81,383,531	\$96,102,590	\$14,719,059	18.1

FY2004 Accomplishments

-  A 10-year Strategic Plan, annual Work Plan and budget were completed.
-  Sponsorship of state legislative priorities approved by the Governing Board was secured.
-  Implementation procedures for the Continuity of Operations Plan were completed.
-  Emergency and recovery activities for hurricane-impacted areas within the District were successfully conducted.
-  A new Storage Area Network (SAN), which provides large amounts of shared electronic-data storage, was implemented for the Comprehensive Everglades Restoration Program.
-  The highest overall data-quality rating of laboratories participating in the United States Geological Survey nationwide was achieved.
-  Installation of the new autosampler design at Pump Station 5A and bench-scale studies for new autosampler design for Structure 5E (S-65E) structures were completed. A pilot study was initiated for the new autosampler design at Pump Station 5A. These autosamplers increase efficiency by automatically collecting water quality samples when triggered by the discharge of pumps located upstream.
-  The Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award and the Certificate of Achievement for Excellence in Financial Reporting were received.



Public information services

FY2005 Work Plan Objectives

- Implementation of the Systems, Applications and Programs (SAP) of Business/Enterprise Modules will be 50 percent complete by the fourth quarter.
- The E-permitting Project will be initiated in the second quarter.
- The Software Compliance Project will be complete by the end of the first quarter.
- Standardization of desktop technology and software will be complete for 50 percent of the District's computers by the end of the second quarter.
- Implementation of a Data Disaster Recovery Plan will be complete by the end of the first quarter.
- Optimization of water quality monitoring networks will be complete by the fourth quarter.
- Water Quality Monitoring Pilot Study at S-65E will be complete by the fourth quarter.
- Development of healthy workforce initiatives for District employees will be complete by the fourth quarter.
- Implementation of Project Management Improvement Initiatives will be complete by the fourth quarter.
- Implementation of the District's outreach projects will be 50 percent complete by the second quarter and 100 percent complete by the fourth quarter.
- Establishment of partnerships with local government and community-based organizations will be completed at a rate of 25 percent per quarter.
- Updating of the District's principles of financial management will be complete by the fourth quarter.
- Updating of the Strategic Plan and development of the FY2006 Work Plan and budget will be complete by the second quarter.



Environmental education

Strategic Goals

Ensure business and data integrity, in compliance with Florida Statutes and Governing Board policy

Provide timely and accurate business, human resource, technical, policy, outreach and safety expertise through consistent, reliable, streamlined processes

Performance Measures

The following chart presents the projected results through which program effectiveness will be measured:

	Actual FY2003	Estimated FY2004	Projected FY2005	Projected FY2006	Projected FY2007
Initiatives Contributing to Expanding Outreach to Local Communities	177	200	200	200	200
Quantity and Quality of Media Articles to be Increased by Five Percent Annually (Baseline to be Established)	-	-	5%	5%	5%
Obtain Unqualified (Favorable) Audit Opinion	Obtained	Will Obtain	Will Obtain	Will Obtain	Will Obtain
Percent of Cost-Effective Technological Solutions Provided to Accommodate the District's Business, Scientific and Engineering Needs	100	100	100	100	100
Percent of Project Management Objectives Accomplished	100	100	100	100	100
Initiatives Implemented to Improve the District's Work Environment, Including Outcomes in the Area of Career Development, Communication, Decision-Making and Supportive Leadership	-	2	2	2	2
Process Improvements Initiated and Implemented in Field Automation and Water Quality Sampling Methods Resulting in Increasing Accuracy and Timeliness of Data	n/a	10	10	10	10



Government and Public Affairs

R e s o u r c e A r e a

Government and Public Affairs

Government and Public Affairs Management Team



Alvin B. Jackson, Jr.
*Government and Public Affairs
Deputy Executive Director*



Humberto Alonso
Service Centers Director



JoAnn Hyres
*Public Information
Director*

Mission Statement

Our mission is to educate the public and media, including governmental agencies, about water resources; and develop the partnerships needed to achieve the District's mission and core objectives.

Government and Public Affairs

Government and Public Affairs Resource Area staff provide services for every District resource area and program, and collectively are the statewide and national voice of the District for all communications. They provide a clear vision to lead outreach and public service efforts; and deliver services and messages locally, while providing support and message creation from a central base. They also participate



in research and monitoring programs, issue permits and provide a number of other important services through the District's eight regional Service Centers. Resource area staff further contribute to the success of the District by capitalizing on opportunities for mutually beneficial partnerships, and allowing citizens, businesses and elected officials to be informed and involved.

FY2004 to FY2005 Resource Area Variance

	FY2003 Actual Expenditures	FY2004 Amended Budget	FY2005 Adopted Budget	Variance \$	Variance %
BY EXPENSE TYPE					
Personal Services	\$9,727,421	\$12,517,164	\$12,480,603	(\$36,561)	(0.3)
Operating/Self Insurance	1,343,615	2,351,763	2,309,840	(41,923)	(1.8)
Contracts	18,691,334	45,766,980	35,602,106	(10,164,874)	(22.2)
Capital	256,113	9,182,452	19,213,606	10,031,154	109.2
Total	\$30,018,483	\$69,818,359	\$69,606,155	(\$212,204)	(0.3)
BY FUND					
District – General	\$8,130,814	\$10,076,944	\$14,114,972	\$4,038,028	40.1
Okeechobee Basin	7,871,120	17,932,103	8,163,647	(9,768,456)	(54.5)
Big Cypress Basin – Special Revenue	0	6,631,362	9,376,285	2,744,923	41.4
Save Our Rivers – Special Revenue	623,769	6,968,300	2,061,260	(4,907,040)	(70.4)
State Appropriations Non-Land	9,619,036	13,231,321	19,346,000	6,114,679	46.2
Wetlands Mitigation	42,591	0	0	0	N/A
Snook Tag Revenue	139,091	0	0	0	N/A
External Grant	0	0	2,000,000	2,000,000	100.0
Alternative Water Supply	2,658,895	2,700,000	0	(2,700,000)	(100.0)
Big Cypress Basin – Capital	0	8,682,267	11,714,000	3,031,733	34.9
Save Our Rivers – Capital	0	2,000,000	0	(2,000,000)	(100.0)
Everglades Restoration Trust	82,268	135,863	57,175	(78,688)	(57.9)
Florida Bay	37,500	0	0	0	N/A
CERP – Ad Valorem	813,399	1,460,199	772,816	(687,383)	(47.1)
CERP – Other Creditable Funds	0	0	2,000,000	2,000,000	100.0
Total	\$30,018,483	\$69,818,359	\$69,606,155	(\$212,204)	(0.3)

Financial Principles and Policies

Financial planning and management are vital elements for effective operations, and they underlie all District programs and services. As Florida's largest water management agency, the District has a responsibility to taxpayers to account for public funds properly. To ensure fiscal responsibility when making decisions and recommendations, the District developed the Principles of Sound Financial Management and other financial policies. The following 16 principles and policies reflect the core beliefs found in the Principles of Sound Financial Management, as well as the methods by which the District conducts business:

Financial Planning Policies

1. Strategic Financial Planning

- The District shall incorporate strategic planning into its financial strategies.
- The District shall measure actual results of its strategic financial plans against scheduled activities and indicators, as these measurements improve forecasting and provide a means of revising goals and objectives.

FY2005 Status

In 2004, the District developed the Strategic Plan for the next 10 years. This plan forms a framework for fiscal decision-making and allocation of funding resources that indicates the District's financial capabilities to achieve its goals and objectives. The Strategic Plan includes success indicators, deliverables and milestones by which program performance will be evaluated.

2. Capital Projects Plan

- The District shall adopt a five-year capital projects plan on an annual basis.

FY2005 Status

The five-year Capital Improvements Plan is updated each year. A summary of the FY2005 plan is included in the Long-Range Plans section of this document.

3. Fiscal Plan

- The District shall adopt an annual operating budget.
- Key performance measurements and productivity indicators for the budget year shall be included in the plan.

FY2005 Status

A financial plan has been prepared that includes projected revenues and expenditures for District programs over the next 10 years. A summary of this plan is included in the Long-Range Plans section of this document. Also developed were work plans that include projects, objectives and success indicators tied to the FY2005 budget. These plans are updated annually.

4. Balanced Budget

- The District shall annually adopt a balanced budget in which operating revenues are equal to or exceed operating expenditures.
- Any increase in expenses, decrease in revenues or combination of the two that would result in a budget imbalance would require budget revision, rather than spending unappropriated surpluses or designated reserves to support ongoing operations.

FY2005 Status

The FY2005 budget is balanced with available revenues.

5. Asset Inventory

- Current and accurate fixed asset physical inventory records shall be maintained by conducting annual physical inventories.

FY2005 Status

Information regarding asset condition, scheduled maintenance, useful life and repair costs was used by management to make informed repair or replacement decisions, to prepare the Capital Improvements Plan budget and to generate reasonable estimates of repair and maintenance costs for the current operating budget.

Revenue Policies

6. Revenues

- The District shall maintain a diversified and stable revenue base. Existing and potential revenue sources shall be reviewed annually for stability, equity, efficiency and capacity to finance future operations.
- Revenues shall be estimated by an objective, analytical process that recognizes the sensitivity of each revenue source to different factors.
- Ad valorem tax levies shall not exceed statutory millage rates.

FY2005 Status

Projected FY2005 tax revenue represents 47.4 percent of the total budget. State and federal revenues, permit fees, the Everglades Agricultural Area privilege tax, grants and other sources make up the remaining 52.6 percent.

6. Revenues Continued

- Whenever authorized and appropriate, user fees and charges shall be established to recover the full costs of all or a portion of programs and services, and lessen the burden of taxation.
- The District shall pursue intergovernmental financial assistance for programs and activities that address a recognized need, and are consistent with the District's mission and long-range objectives.

7. Cash Management and Investment

- The District shall maximize its cash position.
- The District shall accelerate collections and control disbursements to optimize cash availability.
- The District shall meet its financial obligations on a timely basis in order to maintain public trust and productive relations with employees, suppliers and contractors.
- The District shall develop monthly cash flow projections, which help formulate investment strategies for the most effective use of District resources.
- Funds shall be managed in a prudent and diligent manner that meets the criteria of legality, safety, liquidity and yield, in that order of importance.

FY2005 Status

Cash flow projections are created monthly to time revenues with expenditures and match investment activity with expected liquidity needs. All available cash is invested to ensure the highest returns available. Reports on investments and cash flow are distributed to management every month and to the Governing Board every quarter. Presentations on investment activity, rate of return and overall performance are made to the Board twice annually.

Expenditure Policies

8. Internal Control

- The District shall maintain an effective system of internal controls.
- The District shall establish and maintain a financial structure, with defined classifications of expenditures, consistent with Florida Statutes (F.S.) 373.536 and 200.065, and Generally Accepted Accounting Principles.

FY2005 Status

The District controls, adopts and reports expenditures by fund, resource area and major object group.

9. Disbursements

- Disbursement of District funds must be for a legitimate purpose and within budgetary limits.
- District checks shall bear the signatures of the treasurer and the Governing Board Chair or Vice Chair.
- Payment for District contracts and purchase orders are contingent on evidence of the receipt or acceptance of the specific deliverables.

FY2005 Status

No irregularities were reported by external auditors during the annual financial audit.

10. Debt Management

- The Governing Board of the District adopted a debt management policy in May 1993. The policy directs the District to do the following:
 - Exhibit purposeful restraint in incurring debt
 - Strive to achieve and maintain the superior bond rating of AAA for its obligations, which facilitates favorable borrowing costs
 - Follow a policy of full disclosure in all financial reports and official statements issued for indebtedness
 - Refrain from issuing short-term debt that requires repeated annual appropriation
 - Long-term debt shall not exceed the estimated life of the capital assets financed and shall not be used to finance current operations or normal maintenance
- The District shall project debt requirements on a five-year basis to facilitate better short-term decisions in light of other priorities that may arise, and to examine the longer-range implications and effects of debt issuance

FY2005 Status

The current debt policy is under revision. Please see the Debt Summary at the end of this section.

10. Debt Management Continued

- The District shall generally target its debt burden at the following benchmark levels, which are self-imposed boundaries and not statutorily established levels of acceptance:
 - The net debt per capita shall not exceed \$50
 - The ratio of debt service to total governmental funds expenditures shall not exceed 15 percent
 - The debt-to-capital asset ratio shall not exceed 30 percent

11. Reserves

- The District shall maintain reserves to provide the ability to address emergencies without short-term borrowing. The economic stabilization reserve should be at least 5 percent of the previous fiscal year's actual revenues from all sources of ad valorem tax-supported funds. Budgeted contingency appropriation is not to exceed 1 percent of the budgeted revenues for each ad valorem tax-supported fund.
- The District shall also maintain reserves required by the Generally Accepted Accounting Principles, such as for debt services and encumbrances.

FY2005 Status

For FY2005, the economic stabilization reserve is \$13.7 million, the reserve for encumbrances is \$177 million and the contingency reserve budget is \$3.6 million.

Other Financial Principles

12. Procurement and Contracting

- The District shall promote maximum value for products and services acquired through an open, competitive and accountable process.
- The District shall maintain procedures for centralized procurement and contracting to guard against fraud, waste and favoritism.
- The District shall prescribe standards, specifications, coordination and operating procedures for fair and open competition, which are essential to securing public confidence that procurement and contracting are awarded equitably, economically and efficiently.

13. Accounting and Financial Reporting

- The District shall provide consistently useful, timely and accurate financial information for reporting, analysis and decision-making.
- The District shall report accounting and financial information that is in accordance with Generally Accepted Accounting Principles, and is consistent with regulatory requirements.
- In the spirit of full disclosure, the District shall prepare a Comprehensive Annual Financial Report (CAFR), pursuant to the principles and guidelines established by the Government Finance Officers Association.

14. Independent Audit

- The District shall provide for an annual independent audit of its financial statements. This provides evidence of the District's financial accountability to the public and other interested parties.

15. Internal Audit

- The District shall maintain an internal audit function. This function provides an independent appraisal of the operations and controls within the District to determine whether risks are identified and reduced, policies and procedures are followed, established standards are met, and resources are used efficiently and economically.

16. Business Ethics

- The District shall conduct all business affairs in accordance with the highest levels of legal and ethical standards. A commitment to ethics is among the most valuable assets the District can possess, as it protects the agency's strengths of credibility and trust.

Annual Budget Statutory Requirements

The District's annual budget is prepared and adopted in accordance with F.S. 200.065 and 373.536. The District's fiscal year, created under the provisions of F.S. 373.536, extends from October 1 of one year through September 30 of the following year.

The millage rate is levied pursuant to F.S. 200.065. Ad valorem tax levels do not exceed the statutory millage rate of 0.800 mills. Within 35 days of taxable-values certification, the District advises the property appraiser of its proposed millage rate, its rolled-back rate, and the date, time and place at which a public hearing will be held. The Governing Board conducts this meeting, which takes place no earlier than 65 days and no later than 80 days after the certification of value, to discuss the tentative budget and millage rate.

On or before July 15 of each year, the District budget officer submits a tentative budget to the Governing Board. The budget covers proposed operations and funding requirements for the ensuing fiscal year. Within 15 days after the meeting at which the tentative budget is adopted, the District advertises its intent to adopt a final millage rate and budget. The resolution states the percent, if any, by which the millage rate to be levied exceeds the rolled-back rate.

The final adopted budget for the District is the operating and fiscal guide for the ensuing year. Transfers of funds, however, may be made within the budget by the Governing Board at a public meeting.

Summary Budget Development Guidelines

The following general budget parameters and guidelines were adhered to during the development of the FY2005 budget:

- District millage rates were not increased.
- Full-time permanent staffing levels remained the same as the prior year. Existing staff was examined and redirected as needed, based on strategic priorities. The budget includes a 4 percent merit increment.
- Leased positions were reduced by 13.
- Non-ad valorem revenue was targeted to fund items wherever possible, and grant opportunities were reviewed to ensure consistency with program goals and objectives.
- Program coordinators completed 10-year Strategic Plan templates that included goal statements, program descriptions, strategies, success indicators and projected deliverables or milestones.
- Program coordinators gathered input from project managers, functional unit directors and business operations analysts to develop their annual work plans. These work plans were based on the Strategic Plan and the funding target for each program.
- Budget requests and allocations were linked to program objectives and success indicators in the work plans, which were previously approved by the Governing Board.
- Contract justification forms were completed for each contract.
- Operating costs were inflated by 2 percent, based on the consumer price index.
- New fleet requests were justified and all comparable vehicles were shown to be fully utilized.

Modifications to the Adopted Budget

The legal level of budgetary control is at the fund level. The District controls its budget by major object level within a fund and department. This is the lowest level at which management may not reallocate resources without approval of the Governing Board. Examples of major objects are personnel, operating expenditures, capital outlay and debt service.

Required changes to the budget may be made by budget amendments or budget transfers. These two processes are discussed below.

Budget Amendments

A budget amendment is defined as any action that increases or decreases total appropriated fund amounts (e.g., spending authorizations) in the District's adopted budget. Budget amendments could be caused by various reasons, such as:

- The discovery of more accurate information after the budget was adopted
- Modified operating requirements (e.g., transfer of budget authority between funds)
- Year-end accounting adjustments (e.g., aligning projected budget authority with actual revenues received and expenses incurred)

Budget amendments must follow strict statutory guidelines. The intent to amend the budget must be published in the notice of the Governing Board meeting at which the amendment will be considered and potentially receive approval.

Budget Transfers

Budget transfers are defined as any action that changes the budget amount associated with a department, as adopted by the Governing Board. Budget transfers change budget amounts from one department to another. It is important to note that budget transfers, unlike budget amendments, do not change total overall budget appropriation levels. Budget transfers may be processed by action of the Governing Board.

Budget and Finance Advisory Commission

In May 1995, the Governing Board created an independent Budget and Finance Advisory Commission, which is actively involved in the District's annual budget development process. The commission is currently comprised of six individuals from the private and public sectors. Commission members are appointed by the current Governing Board members and report directly to the Governing Board on budget and finance issues.

On May 12, 2004, the commission presented their observations and recommendations to the Governing Board regarding the FY2005 budget and potential budgetary impacts. The group's annual report focused on six major areas: capital structures repair and replacement, land acquisition and bonding, alternative water supply funding, information technology, District employee benefits, and outsourcing.

Budget Philosophy and Process

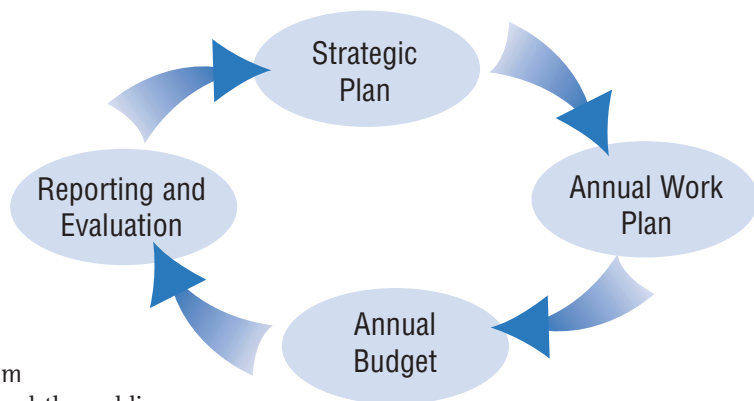
Philosophy

The District uses a programmatic, outcome-oriented approach when developing and presenting its budget. This budgeting method is based on program performance, and emphasizes the link between strategic plans, program goals and objectives, outcomes, and annual funding allocations. The process requires close communication between program coordinators and functional units; awareness of agency strategic goals, objectives and outcomes; identification of strategies to achieve these outcomes; and the development of performance measures.

The organization's broad mission and mandates were organized into 10 programs for which long- and short-term goals, objectives and success indicators were established. This allows for a more thorough review and understanding of major District functions and programs. It also allows for better programmatic comparisons and choices regarding the allocation of limited resources.

The Business Cycle

The Governing Board sets the District's overall direction and establishes the priorities that form the agency's Strategic Plan. The 10-year Strategic Plan provides a foundation for annual development of the Work Plan and the budget, which together map the path to achieving the District's goals and mission. Development of these planning tools requires a coordinated effort by state officials, the Governing Board, executive management, program coordinators, other agencies, stakeholders, staff and the public.



The District's annual business cycle process links the priorities identified in the Strategic Plan, through the Work Plan, to the budget. After Governing Board approval of the Strategic Plan, work plans and budgets are developed for each of the 10 District programs. After initial implementation, program achievements are evaluated quarterly and the results are incorporated into the Strategic Plan when updated the following year.

Step 1: The Strategic Plan

In December 2003, the Governing Board endorsed a long-range funding plan for the strategic priorities that were the backbone of the Strategic Plan. The funding plan included a 10-year financial forecast estimating revenue growth from key sources and identifying strategic uses of that revenue.

Step 2: The Annual Work Plan

The annual Work Plan “drills down” from the high level of the Strategic Plan to the detail of major project accomplishments planned for the fiscal year. The Work Plan highlights priorities and inter-relationships between the 10 programs. Program resource requests were evaluated not only on their achievability but also on their ties to projects included in the annual Work Plan. Major projects and their expected success indicators are detailed in the final Work Plan, along with staffing and funds for the projects.

The Capital Improvements Plan is a companion document that was developed simultaneously with the budget. The plan includes a five-year capital project forecast and a detailed description of planned capital activities that support the Governing Board’s strategic priorities for the fiscal year. The first year of this plan was adopted by the Governing Board as the FY2005 capital budget.

See the Long-Range Plans section for more information on the Capital Improvements Plan.

Step 3: The Annual Budget

The completed Work Plan guided development of the budget, which was approved by the Governing Board in September 2004. The budget supports all the major projects and strategic priorities outlined in the annual Work Plan. This ensures the connection between the high-level Strategic Plan, the Work Plan and the budget, and provides the means to verify that financial and human resources are focused on the District’s most important goals and objectives.

Step 4: Evaluation and Reporting

The last phase of the annual cycle involves evaluation of Work Plan implementation and the reporting of results. Staff members present quarterly progress reports and key financial measurements to executive management and the Governing Board. This provides District leadership with an internal management tool to guide resource allocation decisions and serves as a catalyst for the FY2006 annual cycle. After review of staff reports, management provides quarterly status reports to the Governing Board regarding completion of major projects.

Budget Development Process

The following are key FY2005 budget development milestones:

December 2003

- Executive management and staff attended a planning retreat at which they discussed the District’s strategic direction and prioritized the allocation of discretionary revenues.

January 2004

- Strategic Plan development began.
- Managers received templates designed to assist them with compiling information for Strategic Plan development.

February 2004

- Program coordinators began developing annual program work plans and met with project coordinators to discuss expected outcomes.
- A budget development kick-off meeting was held, at which guidance was given and timelines were distributed.
- The internal budget development process began.

March 2004

- A Governing Board workshop was held to discuss 10-year strategic priorities, the Work Plan and major projects, such as the Everglades Construction Project and the Comprehensive Everglades Restoration Plan.
- Program coordinators developed resource allocations for the proposed budget.

April 2004

- The 10-year Strategic Plan was presented to the Governing Board.
- Management discussed the Strategic Plan and Work Plan with program coordinators, budget analysts and other staff.
- Executive management discussed program tradeoffs and approved the Work Plan and program targets.
- Program coordinators and staff began entering funding requests for Work Plan projects into the budget software system on April 7.
- Budget submissions were due for review by budget analysts on April 23.
- Budget analysts conducted a technical review of the proposed budget.

May 2004

- The Governing Board adopted the 10-year Strategic Plan.
- The draft Work Plan and budget was presented to the Governing Board.
- Finance Advisory Commission recommendations were presented to the Governing Board.
- Seven public forums were held to solicit input from the public on the preliminary budget.
- Management reviewed and finalized the proposed programmatic budget.

June 2004

- Property appraisers for the 16 counties in the District provided taxable value estimates.
- The Governing Board adopted the Work Plan.
- The FY2005 proposed budget was presented to the Governing Board.
- District management and staff briefed the governor's office on the Strategic Plan, the Work Plan and the proposed budget.

July 2004

- Property appraisers for the 16 counties in the District provided certification of taxable values.
- The Governing Board adopted proposed millage rates that are in compliance with Truth in Millage (TRIM) requirements.
- The District submitted the proposed budget to the Florida Department of Environmental Protection, the legislature and the governor's office for review and approval.

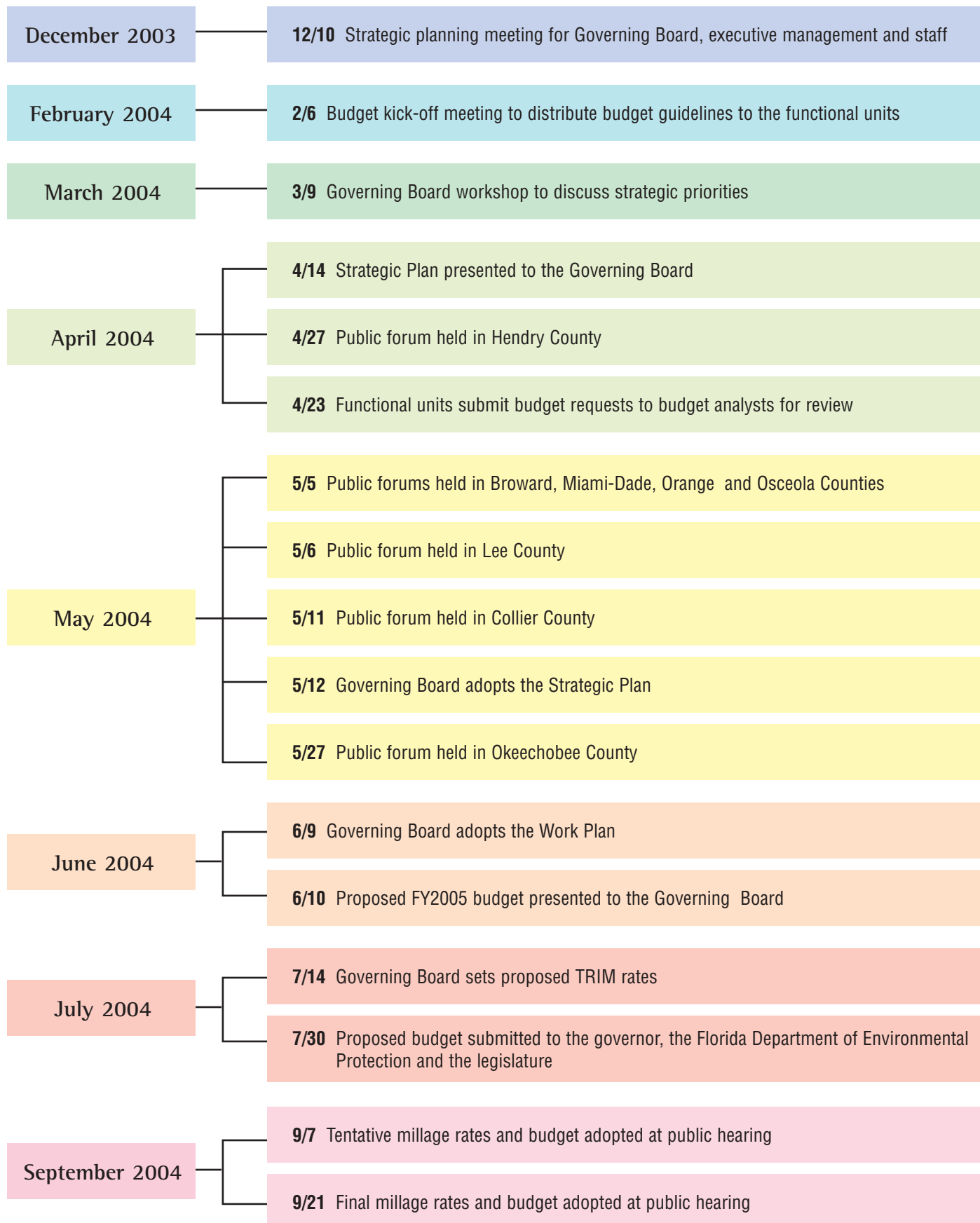
August 2004

- TRIM forms were mailed to property appraisers in the 16 counties in the District.
- The District verified the TRIM notices sent out by the property appraisers.

September 2004

- The Governing Board adopted tentative millage rates and the tentative budget at a public hearing on September 7.
- The governor's office approved the District's budget with no changes. In a letter to the District, the governor indicated he was pleased to see that the District created a long-term Strategic Plan and Work Plan that tie directly to the annual budget.
- Final millage rates and the final budget were adopted at a public hearing on September 21.

FY2005 Budget Development Calendar



Financial Structure

The use of funds and the budgeting, accounting and auditing associated with this fund structure are governed by the state of Florida and Generally Accepted Accounting Principles, as determined by the Governmental Accounting Standards Board.

The District works in concert with the state of Florida to accomplish water management objectives. The primary authority for the operation of District programs, however, comes from Chapter 373 of the Florida Statutes. The District's budget includes all operations over which the District is financially accountable. Accordingly, the District's two basins, Okeechobee and Big Cypress, are included in the budget. This is because the District and the two basins are financially interdependent, and the Governing Board must approve the respective budgets.

There are no additional component units required for inclusion in the budget. The District does not invest or participate in any joint ventures.

Fund Structure and Purpose

The financial operations of the District are organized by funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds necessary to meet legal and managerial requirements is maintained. The use of account groups is a reporting device that accounts for certain assets and liabilities of governmental funds not recorded directly in those funds.

Major Funds

District funds are in two main groups: major and non-major. The District uses three different types of major funds to control its financial activities: general, special revenue and capital project.

General Fund

The General Fund is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. This fund accounts for District-wide expenditures and is supported primarily by ad valorem taxes (District millage 0.248 mills), permit fees and interest earnings.

Special Revenue Funds

The Special Revenue Funds account for revenue sources legally restricted to expenditures for specific purposes. The Special Revenue funds are described below.

Okeechobee Basin Fund

The Okeechobee Basin Fund accounts for the normal operating expenditures of the Okeechobee Basin, which covers all or part of 15 counties extending from the Kissimmee Chain of Lakes in Orange County through Lake Okeechobee, the Everglades and Florida Bay. Funding is provided by a 0.3130 mills property tax levy, intergovernmental revenues, permit fees, interest earnings and other revenue sources.

State Appropriations Fund

The State Appropriations Fund accounts for expenditures made for various projects using state sources. Among the funding sources are the Surface Water Improvement and Management (SWIM) Fund, the Water Management Lands Trust Fund, and various state agencies.

Capital Project Funds

Capital Project Funds account for financial resources used for the acquisition of properties or construction of major capital facilities. The Capital Project Funds are described below.

Everglades Restoration Trust Fund

The Everglades Restoration Trust Fund accounts for capital expenditures to construct six Stormwater Treatment Areas used to treat stormwater run-off from the Everglades Agricultural Area (EAA), through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply.

Funding is provided through a .100 mill tax levy, non-ad valorem assessments to property owners in the EAA, state and federal contributions, and interest earnings.

Comprehensive Everglades Restoration Plan (CERP) – Ad Valorem Fund

The Comprehensive Everglades Restoration Plan (CERP) – Ad Valorem Fund accounts for revenues and expenditures associated with projects included in the Central and Southern Florida Comprehensive Review Study (C&SF Restudy). Implementation of these projects was expedited under the authority of Section 528(e) in the Water Resources Development Act of 1996, for which Project Cooperation Agreements were signed in January 2000. Funding is provided by operating transfers from the General Fund and the Okeechobee Basin Fund.

Save Our Everglades Trust Fund

The Save Our Everglades Trust Fund accounts for revenues received from and expenditures funded through Florida's Save Our Everglades Trust Fund for the design, construction and associated land costs for CERP projects.

Non-Major Funds

The District uses four different types of non-major funds to control its financial activities: special revenue, capital project, internal service and permanent.

Special Revenue Funds

Big Cypress Basin Fund

The Big Cypress Basin Fund accounts for the normal expenditures of the Big Cypress Basin, which covers all of Collier County and the northwestern part of Monroe County. Funding is provided by a .2425 mill property tax levy and interest earnings.

Save Our Rivers Fund

The Save Our Rivers Fund accounts for expenditures made to manage and restore sensitive water resource lands within the District. Funding is provided by regulatory fines, interest earnings, and a portion of the documentary stamp-tax revenues appropriated and allocated in the District's name, and deposited in the state-administered Florida Water Management Lands Trust Fund.

Invasive Plant Control Fund

The Invasive Plant Control Fund accounts for expenditures made for exotic plant control in the Kissimmee River and Chain of Lakes, and for the District's Melaleuca Management Program. Funding is provided by the Aquatic Plant Trust Fund, which is passed through from the Department of Environmental Protection to the District.

Wetlands Mitigation Fund

The Wetlands Mitigation Fund accounts for expenditures for purchase or improvement of existing wetlands. Funding is provided by private and other governmental contributions from permits paid by developers.

Indian River Lagoon (IRL) Restoration Fund

The Indian River Lagoon (IRL) Restoration Fund accounts for expenditures to enhance the environmental and scenic value of surface waters in the IRL. Funding is provided through the sale of a specialty license tag that recognizes the importance of the IRL to Florida's ecosystem.

External Grant Fund

The External Grant Fund accounts for revenue and expenditures related to grants received primarily for research purposes. This separate fund allows for the detailed tracking of expenditures and/or cost-share contributions.

Alternative Water Supply Fund

The Alternative Water Supply Fund accounts for expenditures associated with wastewater reuse technologies, and the development of alternative water supply facilities, including aquifer storage and recovery. Funding is provided by operating transfers from the General Fund.

STA Operations and Maintenance Fund

The STA Operations and Maintenance Fund accounts for expenditures associated with the operation and maintenance of the Stormwater Treatment Areas (STA) required by the Everglades Forever Act. Expenditures are consistent with the provisions of the act. Funding is provided by operating transfers from the Everglades Restoration Trust Fund.

Lake Belt Mitigation Fund

The Lake Belt Mitigation Fund accounts for revenues and expenditures made for mitigation efforts to address the effects of rock mining in the Lake Belt area of Miami-Dade County.

Everglades License Plate Fund

The Everglades License Plate Fund accounts for expenditures for the conservation and protection of the natural resources, and abatement of water pollution in the Everglades. Funding is provided by proceeds from the sale of an Everglades specialty license tag.

Lake Okeechobee Trust Fund

Lake Okeechobee Trust Fund accounts for expenditures associated with restoration projects focused on Lake Okeechobee. Funding is provided by the Florida Department of Environmental Protection.

Capital Project Funds

District Fund

The District Fund accounts for capital expenditures associated with District-wide capital projects. Funding is provided by transfers from the General Fund.

Okeechobee Fund

The Okeechobee Fund accounts for capital expenditures on projects benefiting the Okeechobee Basin. Funding is provided by operating transfers from the Okeechobee Basin Fund.

Big Cypress Fund

The Big Cypress Fund accounts for capital expenditures on projects benefiting the Big Cypress Basin. Funding is provided by operating transfers from the Big Cypress Basin Special Revenue Fund.

Save Our Rivers Fund

The Save Our Rivers Fund accounts for capital expenditures for the purchase of sensitive water resource land. Funding is provided through allocations from the Florida Forever Trust Fund.

Federal Emergency Management Agency (FEMA) Fund

The Federal Emergency Management Agency (FEMA) Fund accounts for revenues and expenditures associated with District recovery efforts following severe natural disasters, such as hurricanes and floods. Revenue is received from FEMA and is disbursed to the District on a reimbursable basis. This fund also accounts for federal funding used to mitigate future disaster damage.

Florida Bay Fund

The Florida Bay Fund accounts for capital expenditures associated with restoring natural quantity, distribution and timing of water flows to Florida Bay. Funds for these projects are derived from excess Alligator Alley toll revenue, as mandated in the 1994 Everglades Forever Act.

Federal Land Acquisition Fund

The Federal Land Acquisition Fund accounts for expenditures relating to land purchases reimbursed by the federal government.

CERP – Federal Fund

The CERP – Federal Fund accounts for revenues received from and expenditures funded through the federal government for CERP.

CERP – Other Creditable Fund

The CERP – Other Creditable Fund accounts for revenues received from and expenditures funded through various sources for CERP. This excludes revenues and expenditures from federal sources, District ad valorem sources and the Save Our Everglades Trust Fund.

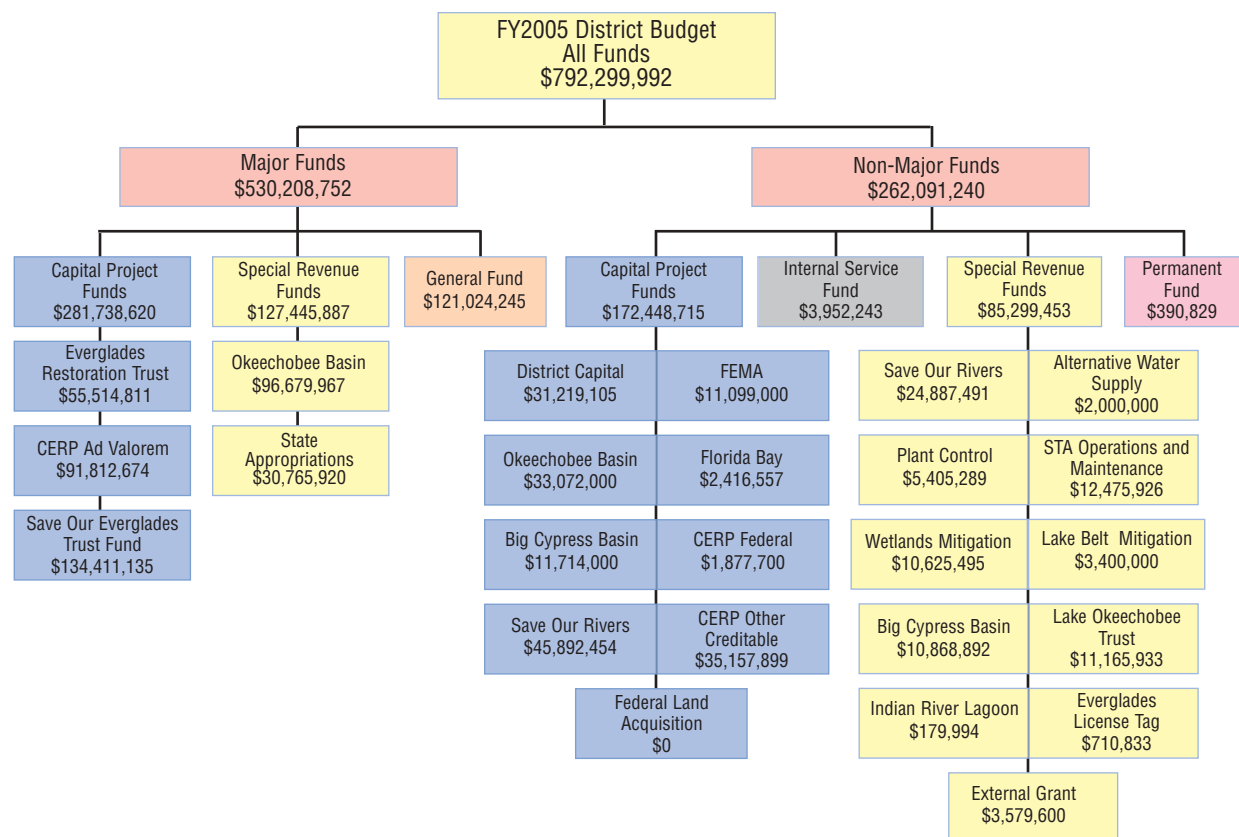
Internal Service Fund

The Internal Service Fund accounts for the District's self-insured risks related to general, automobile and workers' compensation liabilities. Funding is provided through charges to various District funds.

Permanent Fund

The Permanent Fund is used to report resources that are legally restricted, so that only earnings, not principal, may be used for purposes that support the District's management of lands acquired for wetland mitigation.

District Fund Structure



All funds shown in the chart above are appropriated, except for the Permanent Fund and the Federal Land Acquisition Fund. The amount shown for the Permanent Fund represents interest revenue transferred from the Permanent Fund to the Wetlands Mitigation Fund to support land management expenditures. The financial statements include the same funds as shown above.

The following table illustrates the relationship between functional units, programs and the fund structure:

Program to Fund Matrix

Program By Resource Area	Fund Type							
	Major Funds						Non-Major Funds	Total
	General	Okeechobee Basin	State Appropriations	Everglades Rest. Trust	CERP	Save Our Everglades Trust	Other Gov't Funds	
Water Resources								
District Everglades Program			\$500,000	\$55,514,811			\$13,186,759	\$69,201,570
Water Supply	\$17,122,928	\$127,910	20,000				6,134,963	23,405,801
Kissimmee River Restoration	1,529,401	12,673,767	750,000				33,255,000	48,208,168
Regulation	16,253,206						266,200	16,519,406
Lake Okeechobee	1,851,059	4,855,201	138,750				14,165,171	21,010,181
Coastal Watersheds	6,253,457	1,669,372	15,357,170				6,948,072	30,228,071
Comp. Everglades Restoration Plan			4,000,000		\$91,812,674	\$134,411,135	54,774,494	284,998,303
Operation and Maintenance Resources								
Operations and Maintenance	10,545,962	64,593,593	10,000,000				60,377,441	145,516,996
Land Resources								
Land Stewardship	185,855	1,011,897					55,911,154	57,108,906
Corporate Resources								
Mission Support	67,282,377	11,748,227					17,071,986	96,102,590
TOTAL	\$121,024,245	\$96,679,967	\$30,765,920	\$55,514,811	\$91,812,674	\$134,411,135	\$262,091,240	\$792,299,992

Basis of Accounting and Budgeting

The modified accrual basis of accounting is used by the District for both accounting and budgeting purposes, with compensated absences treated differently in the budget than they are in the Comprehensive Annual Financial Report. Revenue is recognized when it is susceptible to accrual (i.e., it is both measurable and available). "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are ad valorem property taxes, interest on investments and intergovernmental revenue.

Property taxes are recorded as revenues in the fiscal year for which they are levied, provided they are collected in the current period or within 60 days thereafter. Interest income is recognized when earned. Intergovernmental revenues, which are reimbursements for specific purposes or projects, are recognized in the period in which the expenditures are recorded.

Encumbrances outstanding at year-end are reported as reservations of fund balances, since they do not constitute expenditures or liabilities. All annual appropriations lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered. Expenditures may not legally exceed appropriations at the agency level in any of the governmental fund types.

The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds when payments are made to employees. The liability for all accrued and vested vacation and sick pay benefits, plus sick leave benefits expected to become vested, however, is recorded in the General Long-Term Liabilities Account Group for employees paid from governmental funds.

Revenue Forecast Methodology

The District projects revenues using the most appropriate methodology and assumptions for each revenue category. This begins with the Strategic Plan and annual Work Plan, and continues throughout the annual budget development process.

Major Revenue Categories

The following sources comprise the District's major revenue categories:

Taxes

Ad valorem property taxes are determined after anticipated expenditures are calculated and all other revenue sources and balances have been estimated. The funds required are converted to proposed millage rates and county property appraisers apply the proposed millage rates to the current taxable value estimates. The Budget Division is responsible for property tax revenue projections.

Everglades agriculture privilege taxes are assessed on acreage within the Everglades Agriculture Area (EAA) and C-139 Basin. The tax applies to land used for agricultural business or trade, as stated in the Everglades Forever Act (EFA). The revenue is based on tax roll information received from property appraisers in Palm Beach and Hendry Counties during the annual tax certification process that occurs from June 1 through August 31. For FY2005, the assessed tax per acre for the EAA and C-139 Basin was \$24.89 and \$4.30, respectively. The Budget Division is responsible for calculating and projecting the estimated tax.

Intergovernmental

This revenue category is defined by federal, state or local government entities. The category includes appropriations that are based on annual state legislative budget allocations and grants or cooperative agreements from executed contracts with governmental agencies.

Investment Earnings

Interest is calculated by individual fund, based on its projected share of pooled cash, investment of funds and economic market conditions. The District's Treasurer provides input to the Budget Division during the budget development process.

Licenses, Permits and Fees

This category is comprised of revenues received from the sale of license tags, and issuance of regulatory and right-of-way permits or fees. Also included in this category is revenue for Lake Belt or Wetland Mitigation. Revenue estimates and proper documentation are provided by District functional units.

Other – Miscellaneous

Various revenue sources are captured under this category, such as self-insurance premiums, leases and sale of District property. Currently, the District does not budget for cash discounts earned, refund of prior-year expenditures or other miscellaneous income items. District functional units generate the revenue projections for this category.

Other Financing Sources

This category includes capital leases and bank loan proceeds. The District accounting staff and Treasurer provide these estimates as capital funding needs arise. Transactions related to issuance of land acquisition bond refunding are not part of the District's budgeted revenue sources.

Other Factors Considered When Forecasting Revenue

The District considers various factors when analyzing and forecasting individual revenue sources. These factors include legal or mandated requirements, agriculture-privilege-tax roll data, functional-unit staff estimates and a balanced budget.

Legal or Mandated Requirements

Some revenue sources are defined by specific legal requirements or restrictions. For example, the District's

ability to generate revenue through ad valorem property taxes is limited by statutory and constitutional millage caps of 0.8000 and 1 mill, respectively. To increase the combined District and Okeechobee Basin millage rates to the constitutional cap of 1 mill would require legislative action. In addition, the District dedicates one-tenth of a mill (0.1000) of the Okeechobee Basin millage to the Everglades Construction Project (ECP) and the Long-Term Plan (LTP), as stated in the amended 2003 EFA.

Under the EFA, revenue sources earmarked for the Everglades Trust Fund can only be applied to qualifying Everglades restoration-related expenditures. The District's Comprehensive Everglades Restoration Plan (CERP) has requirements for dedicated annual revenue funding. Other sources subject to legal or mandated requirements include state trust funds for which funding must be used for specific purposes, such as CERP, land acquisition or land management.

Agriculture Privilege Tax Roll Data

Tax revenues vary each year, based on the number of agricultural acres noted on the tax rolls. The agriculture privilege tax is one of the dedicated revenues for the ECP/LTP and is calculated into the mix of funding sources to offset anticipated expenditures.

Functional Unit Staff Estimates

During the budget development process, the Budget Division relies heavily on the knowledge and experience of directors, project managers and staff to forecast expected revenues from various non-ad valorem sources, such as grants, licenses, permits, fees, investment earnings, leases and sale of District property. The functional units submit their non-ad valorem revenue estimates to the Budget Division, along with supporting documentation and an explanation of how the revenues were calculated.

Balanced Budget

Florida statutes and District financial policies require an annual adopted budget that is balanced. A balanced budget is one in which the District's budget has sufficient projected revenues to equal anticipated expenditures. Throughout the budget development process, projected revenue estimates are updated and compared against proposed expenditures. The District usually has two budget amendments each fiscal year. If a revenue source does not materialize during the fiscal year, the current budget is amended and expenditures are adjusted accordingly.

Comparative Summary of Sources and Uses

FY2004 Amended/FY2005 Adopted Budgets	FY2004 Amended Budget	FY2005 Adopted Budget	FY2005 Over or (Under) FY2004	Percent Change
Sources				
Ad Valorem Property Taxes	\$331,860,454	\$375,371,184	\$43,510,730	13.1%
Agricultural Privilege Taxes	12,218,687	12,242,934	24,247	0.2%
Intergovernmental Sources	289,823,715	294,351,690	4,527,975	1.6%
Investment Earnings	8,295,164	8,770,063	474,899	5.7%
Licenses, Permits and Fees	13,520,406	9,573,712	(3,946,694)	-29.2%
Other – Miscellaneous	6,941,934	25,698,243	18,756,309	270.2%
Other Financing Sources	5,931,850	5,965,150	33,300	0.6%
Fund Balance – Designated	99,254,674	60,327,016	(38,927,658)	-39.2%
TOTAL APPROPRIATED FUND SOURCES	\$767,846,884	\$792,299,992	\$24,453,108	3.2%
Uses				
Land Stewardship	\$50,825,085	\$57,108,906	\$6,283,821	12.4%
District Everglades	89,559,625	69,201,570	(20,358,055)	-22.7%
Operations and Maintenance	122,959,792	145,516,996	22,557,204	18.3%
Water Supply	19,415,699	23,405,801	3,990,102	20.6%
Kissimmee Restoration	63,638,788	48,208,168	(15,430,620)	-24.2%
Regulation	15,680,242	16,519,406	839,164	5.4%
Lake Okeechobee	13,007,267	21,010,181	8,002,914	61.5%
Coastal Watersheds	20,510,729	30,228,071	9,717,342	47.4%
Mission Support	81,383,531	96,102,590	14,719,059	18.1%
Comprehensive Everglades Restoration Plan	290,866,126	284,998,303	(5,867,823)	-2.0%
TOTAL APPROPRIATED FUND USES	\$767,846,884	\$792,299,992	\$24,453,108	3.2%

Revenue by Source

FY2003 through FY2005			
Projected Revenue	FY2003 Actual Amount	FY2004 Unaudited Actual	FY2005 Projected (Adopted Budget)
Taxes	\$308,054,749	\$343,908,081	\$387,614,118
Ad Valorem Property Taxes	295,177,218	331,671,330	375,371,184
Agriculture Privilege Taxes	12,877,531	12,236,751	12,242,934
Intergovernmental	213,700,065	193,317,523	294,351,690
Appropriations	150,378,887	159,171,054	245,155,550
Ecosystem Management Trust Fund	37,704,200	-	-
Florida Forever	11,411,249	15,935,218	43,062,000
Division of State Lands – Conservation & Recreation Land Trust Fund	694,830	187,002	-
Division of State Lands – FDEP	-	-	-
Hurricane Catastrophe Trust Fund	-	-	-
P2000	4,452,680	29,512	-
Save Our Everglades Trust Fund	63,332,896	122,381,550	134,411,135
Water Management Lands Trust Fund	32,783,032	20,637,772	24,411,991
Other Appropriations	-	-	43,270,424
Grants and Cooperative Agreements	\$63,321,178	\$34,146,469	\$49,196,140
Federal	40,387,620	17,553,421	14,982,517
Federal Emergency Management Agency	14,568,285	2,311,171	11,099,000
U.S. Army Corps of Engineers	549,136	2,233,478	725,755
U.S. Department of Agriculture	-	1,116,287	2,922,700
U.S. Department of Consumer Affairs	34,068	-	-
U.S. Department of Interior	25,215,171	11,002,885	0
Other Federal Grants/Agreements	20,960	889,600	235,062
State	18,952,579	15,610,244	10,172,623
Florida Department of Environmental Protection	2,123,721	2,683,721	-
Invasive Plant Management Grants	1,822,553	761,704	5,742,623
Aquatic Plant Control	12,007,655	9,882,021	-
Florida Department of Transportation	2,889,900	2,114,048	2,000,000
Florida Fish and Wildlife Conservation Commission	-	-	2,000,000
Other State Grants/Agreements	108,750	168,750	430,000
Local	3,980,979	982,804	24,041,000
Collier County	12,500	-	2,000,000
Martin County	2,504,018	806,658	20,000,000
Miami-Dade County	-	-	-
St. Lucie County	250,000	-	-
Florida Inland Navigation District (FIND)	-	-	2,000,000
Other Local Grants/Agreements	1,214,461	176,146	41,000
Investment Earnings	\$10,532,979	\$8,374,907	\$8,770,063
Licenses, Permits and Fees	\$15,492,106	\$9,846,553	\$9,573,712
License Tags	429,450	397,946	327,437
Permit Fees	4,214,736	4,729,316	5,446,275
Wetland Mitigation	10,847,920	4,719,291	3,800,000
Other – Miscellaneous	\$14,263,401	\$13,907,659	\$25,698,243
Department Charges – Self Insurance Premiums	2,518,647	2,878,819	3,952,243
Leases	3,179,028	4,614,065	1,676,000
Sale of District Property	1,966,859	770,697	20,000,000
Miscellaneous Income	6,598,867	5,644,078	70,000
Other Financing Sources	43,338,003	1,399,426	5,965,150
Bond Proceeds	34,550,000	-	-
Bond Premium	2,460,629	-	-
Capital Leases	1,500,000	1,399,426	1,372,300
Loan Proceeds	4,827,374	-	4,592,850
Fund Balance – Designated	\$101,839,534	\$99,254,674	\$60,327,016
TOTAL	\$707,220,837	\$670,008,823	\$792,299,992

Revenue Assumptions and Trend Analysis

The District developed a series of revenue assumptions, based on current and projected economic indicators, and historical trends. The Florida Department of Revenue and the Ad Valorem Estimating Conference provided county projection data and trends in ad valorem tax-roll growth rates over a 10-year period, which were analyzed by the budget staff. Revenue collection history for the last four-years and information supplied by various departments were used to determine all remaining discretionary revenue sources. The District's dedicated revenue assumptions were formulated using information from state trust fund balances, and from agreements with federal, state and local governments.

In FY2004, the District formally implemented its business cycle, which includes development of a Strategic Plan and an annual Work Plan, implementation of an annual budget process, and a reporting and evaluation cycle. As part of the strategic-priority-setting process, the District prepared a 10-year financial forecast, based on the established revenue assumptions. This forecast projects anticipated revenues for both ad valorem (discretionary) and dedicated (restricted) funds from FY2005 through FY2014. Additionally, funding strategies were developed and the District's Governing Board directed the use of the discretionary funds. This financial forecast was one of the building blocks for the District's Strategic Plan, and played a key role in setting strategic priorities based on projected funding.

The revenue assumptions in the financial forecast provided a framework for development of the District budget, by program and fund. FY2005 programmatic budget targets were established based on projected funding source availability. Each program prepared an annual work plan that reflected District strategic priorities and delivered a balanced budget. The overall District budget was then finalized by ensuring that proposed budget expenditures were balanced with projected revenue estimates.

FY2005 revenue projections include a variety of fund sources. The District groups its revenue sources into seven standard accounting categories, as detailed in the Revenue Forecast Methodology in this section.

The adopted FY2005 estimated revenue totaled \$792.3 million. When compared to the FY2004 amended budget of \$767.8 million, revenues increased overall by \$24.5 million. This net amount is based on numerous projected changes, including additional revenue from existing and new sources, and reductions to prior-year revenue levels.

The following pages contain detailed explanations of the FY2005 revenue projections by category, with comparisons to the FY2004 amended budget. Also included are the assumptions used when making funding decisions and the reasons for any increases or decreases over the previous fiscal year's level.

Taxes: \$387,614,118

Ad Valorem Property Taxes: \$375,371,184

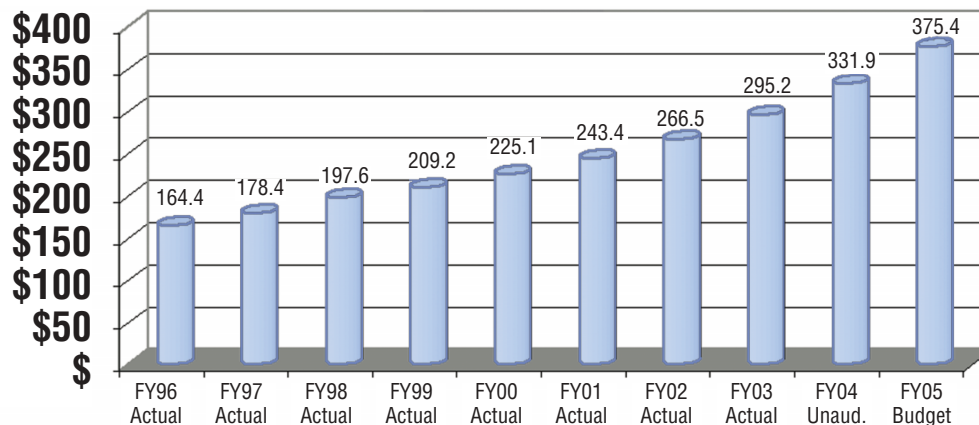
Ad valorem property taxes continue to be the District's primary source of revenue. For FY2005, property taxes are anticipated to yield approximately \$375.4 million, which is \$43.5 million or 13.1 percent more than the FY2004 amended budget of \$331.9 million. The basis for the increase is the tax growth rate as explained in further detail below.

Increase	FY2004	FY2005	Percent
Ad valorem property taxes (millions)	\$331.9	\$375.4	13.1%
Assessed property value (billions)	\$502.5	\$573.5	14.1%

FY2005 property tax revenue projections are based on the assumption that millage rates will be set at existing levels. It is also assumed there will be tax-roll growth throughout the District's 16-county boundary. The Okeechobee millage rate has remained constant since FY1998, but property tax revenues have increased annually, due to higher assessed values for new and existing properties throughout the District. In FY2003 and FY2004, taxable property values within the District increased by 11.3 percent and 12.5 percent, respectively.

The following graph illustrates actual and anticipated ad valorem property tax revenues for FY1996 through FY2005:

Ad Valorem Property Tax Revenues FY1996 through FY2005 (in millions)



For FY2004, 96 percent (96.5 percent for the Big Cypress Basin) of the amount levied was used to project actual amounts. This rate is developed from historical collection rates and is applied as a percent of anticipated revenue. During the last 10 fiscal years (FY1995 through FY2004), the District has collected the majority of the total tax amount that can be levied. An average of 96.6 percent of the combined District/Okeechobee millage rate and 97 percent of the Big Cypress Basin millage rate has been collected. For example, the last five-year (FY2000 through FY2004) trend data shows the District has received an average of 99.85 percent of budgeted current-year tax revenues from the county tax collectors.

The main reason for the high collection rate is the discount provided to property owners to pay their current-year taxes before March 31 of the following year. Property taxes are payable through March 31, after which time they become delinquent. Delinquent property tax certificates are sold to the public beginning June 1, at which time property liens are attached. By the end of the fiscal year, virtually all property taxes are collected, either directly or through the sale of tax certificates. Ad valorem property tax revenues are recorded by the District, based on the amount of receipts reported by the county tax collectors. The table below shows the District's percent of ad valorem property tax levy collected between FY1995 and FY2004.

Ad Valorem Property Tax Collections

Percent of Levy Collected FY1995 through FY2004

Fiscal Year	District	Okeechobee Basin	Big Cypress Basin	Everglades Trust Fund
1995	96.44%	99.57%	99.79%	99.37%
1996	96.31%	96.28%	96.21%	96.56%
1997	96.22%	96.23%	96.80%	96.33%
1998	96.66%	96.60%	96.78%	96.70%
1999	96.24%	96.19%	96.72%	96.23%
2000	96.58%	96.56%	96.84%	96.53%
2001	96.82%	96.82%	96.78%	96.81%
2002	96.36%	96.31%	96.66%	96.02%
2003	95.99%	95.95%	96.66%	96.18%
2004	96.01%	95.97%	96.45%	95.77%

Percentages are based on the total tax base (representing final taxable values), multiplied by the assessed millage rate, then divided by the actual ad valorem property tax revenue collected.

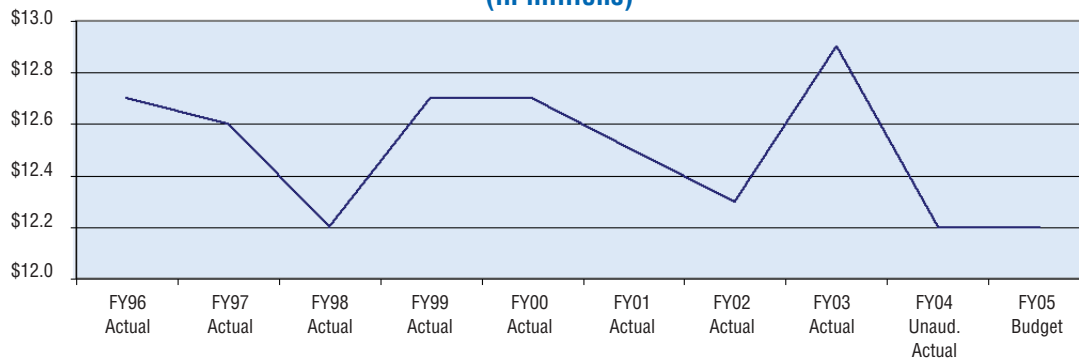
Agriculture Privilege Taxes: \$12,242,934

The agriculture privilege tax was levied for the first time in FY1995. This tax is a component of the 1994 Everglades Forever Act (EFA) and is used to fund the Everglades Construction Project. The EFA authorized the District to impose an annual tax for the privilege of conducting agricultural trade or business on property located within the Everglades Agricultural Area and the C-139 Basin, in Palm Beach and Hendry Counties. The EFA was amended in 2003 to allocate agricultural privilege tax revenue to the Long-Term Plan.

Agricultural privilege taxes continue to be a steady source of revenue for the Everglades Trust Fund. In FY2005, projected agricultural privilege tax revenues are expected to generate approximately \$12.2 million, which remains at the same level as in the FY2004 amended budget.

The agriculture privilege tax revenue projection assumes the total tax levied (the number of acres on the Palm Beach and Hendry Counties' final tax rolls, multiplied by \$24.89 per acre) will be collected by the end of the fiscal year. The same assumption is applied to projecting revenue for the C-139 Basin agriculture privilege tax in Hendry County, except the tax rate is \$4.30 per acre, multiplied by the number of acres on the final tax roll. Once the tax assessment is calculated, the District Governing Board certifies the tax rolls through the adoption of resolutions at the District's annual tentative budget adoption public hearing, held each September. By law, the District must deliver the final certified EAA and C-139 Basin tax rolls to the tax collectors' offices in both Hendry and Palm Beach Counties prior to September 15 of each year.

Agriculture Privilege Taxes FY1996 through FY2005 (in millions)



Intergovernmental: \$294,351,690

This revenue category had a net increase of \$4.5 million from the FY2004 amended budget amount of \$289.8 million. The overall net increase is the result of the following factors:

- New state appropriations
- An increase in funding from local sources
- A reduction in projected revenues from state trust fund balances

Appropriations - \$245,155,550

In FY2005, the District anticipates receiving a total of \$245.2 million from the trust funds and state appropriations listed below. This total represents a \$12 million reduction from the FY2004 amended budget of \$257.2 million. The basis for the overall net decrease resulted from a combination of new FY2005 special legislative appropriations and a reduction in available funds from the state's trust fund balances.

Florida Forever Program Funds: \$43,062,000

A total of \$43.1 million is expected from Florida Department of Environmental Protection (FDEP) state bond proceeds and trust fund balances. This revenue is to be used for the purchase of environmentally sensitive lands under the Florida Forever Program and for local projects outlined in the Florida Forever Work Plan. The \$43.1 million revenue projection assumes continuation of state funding at the current annual level of \$36 million and the availability of all prior-year Florida Forever funds, totaling \$7.1 million.

In 1999, the Florida Forever Act (FFA) was enacted by the legislature and signed into law by the governor. The FFA (F.S. 259.105) will provide \$3 billion to various state agencies over a 10-year period. These monies are for acquisition of environmentally sensitive lands for conservation, recreation, water resource protection and wildlife habitat preservation, and for management of public access to those lands.

Save Our Everglades Trust Fund (SOETF): \$134,411,135

The District expects to receive approximately \$134.4 million from the state's SOETF. The FY2005 budgeted amount remains earmarked for design, construction and land acquisition for the Comprehensive Everglades Restoration Plan Program (CERP). This revenue assumption is based on continuation of the state's annual commitment of \$100 million and the availability of all prior-year SOETF funds, totaling \$34.4 million.

The SOETF was created by the Florida legislature in 2000 to fund the state's share of CERP. The legislation called for the SOETF to receive \$100 million annually in state funding through the program's first 10-year period.

Special Legislative Appropriations: \$43,270,424

This revenue estimate of \$43.3 million represents new and prior-year state appropriations. The District received approximately \$38.2 in new funding for FY2005. New state appropriations will fund restoration projects in the Big Cypress Basin, local water resource projects, Lake Okeechobee Protection Plan (LOPP) projects and South Florida flood mitigation projects.

The District expects to receive approximately \$34.2 million from the FDEP as part of the new state appropriation funding for FY2005. During the 2004 Florida legislative session, funding was awarded to the District for environmental restoration and flood mitigation. The Florida legislature allocated the funding from the Ecosystem Management and Restoration Trust Fund (EMRTF) to the District for implementation of various surface-water restoration initiatives and municipal stormwater infrastructure improvements, as identified in item 12064A of the Conference Report on House Bill 1835, General Appropriations Act FY2004/2005. An additional \$4 million will be provided from the Lake Okeechobee Trust Fund to implement the LOPP.

The remaining \$5 million in the FY2005 budget represents re-budgeted prior-year state appropriation balances for Biscayne Bay, Lake Okeechobee and Upper Lake Tohopekaliga projects.

Water Management Lands Trust Fund (WMLTF): \$24,411,991

The FY2005 projection of \$24.4 assumes the District will receive \$17.4 million in new revenue and \$7 million in prior-year trust fund balances. The projected revenue assumption for the FY2005 budget was based on continuation of state funding at current levels and availability of remaining WMLTF balances. The basis for the decrease in budgeted revenue of \$12.5 million was attributed to a lower available trust fund balance.

The WMLTF (F.S. 373.59) was established to provide water management districts with funding for management of environmentally sensitive lands, local water resource projects, exotic and aquatic plant control, priority water-body projects, and debt service from documentary stamp-tax revenues. In compliance with state statute, funds from the WMLTF cannot be used for land acquisition purposes after July 1, 2001. The District receives 30 percent of all funds allocated to the five water management districts from the trust fund.

Grants and Cooperative Agreements: \$49,196,140

The District anticipates receiving a total of \$49.2 million from various federal, state and local sources. This represents a \$16.7 million increase from the FY2004 amended budget of \$32.5 million. The basis for the overall net increase is a combination of current-year funding for a land acquisition agreement with Martin County and several Federal Emergency Management Agency (FEMA) projects. Also contributing to the increase was a one-time funding allocation in FY2004 for such projects as land acquisition for CERP, the 8.5 Square Mile Area project and various FDEP grant-funded projects.

Federal: \$14,982,517

Approximately \$15 million is expected from various federal government agencies, which is \$0.6 million less than the FY2004 amended budget of \$15.6 million. This projection assumes the use of remaining prior-year allotted balances and that new revenue will be received from grants or cooperative agreements.

Federal Emergency Management Agency (FEMA): \$11,099,000

A total of \$11.1 million is being budgeted from FEMA. This is an overall increase of \$3.9 million from the FY2004 amended budget of \$7.2 million. This increase is due to new funding for the S-27 Pump Station, mapping and data conversion projects.

The FY2005 revenue projection assumes use of the remaining \$7.1 million in FEMA funds for completion of the C-4 flood mitigation project in Miami-Dade County. The District has the authority to perform work, provide services and acquire materials during emergency events. Following these events, the District can request reimbursement from FEMA.

U.S. Army Corps of Engineers (USACE): \$725,755

The District anticipates receiving \$0.7 million from the U.S. Army Corps of Engineers (USACE) as reimbursement for the operation and maintenance (O&M) of USACE-owned structures in Miami-Dade County and the Water Conservation Areas. The projection assumes the USACE will reimburse the District for 60 percent of the actual expenditures incurred to provide these services. This amount is approximately \$0.16 million less than the FY2004 amended budget of \$0.86 million and is based upon District staff estimating O&M costs for the fiscal year.

U.S. Department of Agriculture (USDA): \$2,922,700

The projection of revenue from the USDA is approximately \$2.9 million, and is \$0.7 million higher than the FY2004 amended budget of \$2.2 million. The net increase is attributed to receiving funds for restoration activities from the Nature Resources Conservation Service (NRCS), through their Wetlands Reserve Program.

The FY2005 budget reflects approximately \$2.7 million in NRCS funds for restoration activities on portions of Allapattah Ranch in Martin County and on land in the Kissimmee Chain of Lakes. Also included is an annual USDA grant of \$0.2 million for area-wide melaleuca management evaluation.

The NRCS/Wetlands Reserve Program funding will be matched by CERP funding to conduct restoration activities on portions of the Allapattah property. This program cost is shared (75 percent/25 percent) between the District and the NRCS for property related to restoration work.

Other Federal Grants and Cooperative Agreements: \$235,062

Grants totaling \$0.2 million are expected from the United States Geological Survey for seagrass model development for Florida Bay, and from the U.S. Fish and Wildlife Service for Loxahatchee National Wildlife Refuge lab analysis and testing. This revenue estimate represents a 100 percent increase over the FY2004 amended budget because the category did not exist in the prior fiscal year.

State: \$10,172,623

A total of \$10.2 million is projected from various state government agencies, which is \$2.6 million less than the FY2004 amended budget of \$12.8 million. This projection assumes the use of remaining prior-year balances and that new revenue will be obtained from grants or cooperative agreements.

Invasive Plant Management Grants: \$5,742,623

Projected FDEP grant revenues are approximately \$5.7 million, and are to be used for exotic and aquatic plant management. This amount is comprised of approximately \$2.7 million for aquatic plant management in the Kissimmee River, the Kissimmee Chain of Lakes and Lake Okeechobee. The other \$3 million is for the management of melaleuca and other exotic plants. Primarily, funding for this program is passed to the District through the FDEP, based on a variety of revenue sources. The FDEP's funding sources include the state gas tax, a percentage of which is allocated from boat fuel sales; recreational and commercial boat taxes; the U.S. Army Corps of Engineers; and any special mid-year re-appropriations from the FDEP. This projection assumes that FDEP funding will be approximately \$0.3 million less than it was in FY2004.

Florida Department of Transportation (FDOT): \$2,000,000

The revenue projection of \$2 million assumes receiving funds from the FDOT for EFA-mandated restoration projects. The \$2 million is an annual revenue assumption and is based on an agreement with the FDOT. The agreements states that excess funds from Alligator Alley toll receipts are to be used for Everglades and Florida Bay restoration projects. The decrease of \$0.8 million from the FY2004 amended budget amount of \$2.8 million is directly attributed to receiving a one-time allocation of new revenue from the FDOT to fund mitigation for road projects reviewed and permitted by the District.

Florida Fish and Wildlife Conservation Commission (FFWCC): \$2,000,000

The District expects to receive a \$2 million grant from the FFWCC for Lake Trafford restoration. This revenue projection assumes the same level of funding from the FFWCC as budgeted in FY2004. Lake Trafford is an ecologically and economically important water body in southwest Florida. In recent years, the lake has become threatened by increasingly high nutrient levels, resulting in hydrilla infestation and several fish kills. The funding received from the FFWCC will be applied towards lake restoration efforts.

Other State Grants and Cooperative Agreements: \$430,000

Each year, the District applies for and receives grants from a variety of different state sources. In the FY2005 budget, state grants totaling approximately \$0.4 million are expected from the FDEP for the following projects:

- Caloosahatchee water quality assessment
- Florida Coastal Management Program — Biscayne Bay
- Right-of-way restoration projects

This revenue projection represents a 100 percent increase over the FY2004 amended budget because the category did not exist in the prior fiscal year.

Local: \$24,041,000

Estimated revenues from various local sources total approximately \$24 million, which is \$19.9 million higher than the FY2004 amended budget of \$4.1 million. The basis for the increase is related directly to an anticipated one-time funding allocation of \$20 million for a land acquisition agreement with Martin County. This projection assumes the District will receive revenues based on grants or cooperative agreements from counties and local agencies.

Collier County: \$2,000,000

The revenue projection assumes that \$2 million in new funding will be received from Collier County for Lake Trafford restoration activities. This is in addition to the anticipated grant from the FFWCC.

Martin County: \$20,000,000

For FY2005, the District expects to receive \$20 million from Martin County as reimbursement of land acquisition costs.

Florida Inland Navigation District (FIND): \$2,000,000

The District expects to receive \$2 million from FIND as reimbursement for the Miami River-Dredging Grant.

Other Local Grants/Agreements: \$41,000

The remaining projected local revenue assumes that funds will be received from various grants and cost-sharing agreements with Miami-Dade, Jupiter Isle and Cape Coral.

Investment Earnings: \$8,770,063

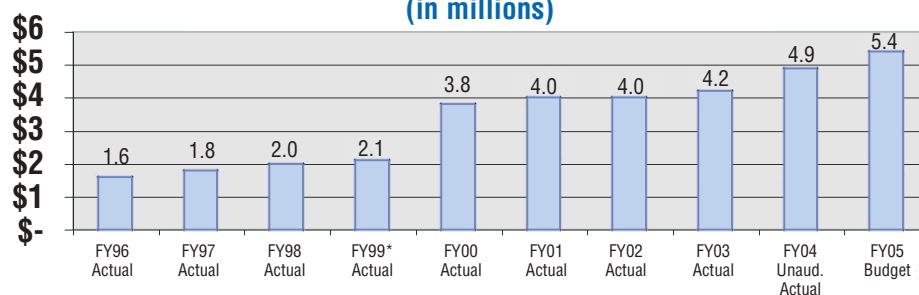
The FY2005 investment earnings estimate of \$8.8 million is affected by a slightly higher average interest rate and by any changes resulting from individual District funds' available balances. During the fiscal year, the District's Treasurer reviews actual investment earnings and any revisions to the revenue projection are made accordingly. This projection is higher by approximately \$0.6 million than the FY2004 amended budget of \$8.2 million, based on the factors mentioned above.

Licenses, Permits and Fees: \$9,573,712

This category totals \$9.6 million in anticipated revenues for FY2005, which is a net of \$3.9 million less than the FY2004 amended budget of \$13.5 million. Revenue assumption is based on historical data, collection rate, ongoing agreements and information provided by District staff. Wetland and Lake Belt mitigation permit fees represent approximately \$3.8 million, or 40 percent of the category's total estimated revenues. This projected amount is lower than FY2004 by \$4.7 million. Staff calculations estimate surface-water management, water use, and right-of-way permit fees to total \$5.4 million or \$0.5 million more than the FY2004 amended budget. Right-of-way fees are received for the release of District canal, mineral and right-of-way reservations.

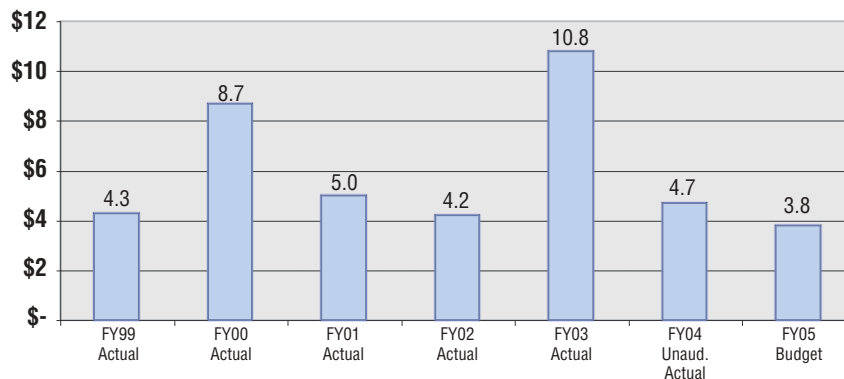
The remaining \$0.3 million in revenue is anticipated from the sale of the Everglades and Indian River Lagoon license plate tags. The \$0.2 million in revenue generated from the Everglades license tag must be used for Everglades Restoration and related research projects. The \$0.1 million in revenue derived from the Indian River Lagoon license tag will be used for restoration and environmental education projects within the Indian River Lagoon watershed. This is an increase of \$0.2 million from the FY2004 amended budget level, which is related directly to the amount of sales included in the FY2005 budget revenue projections.

Permit Revenues
FY1996 through FY2005
 (in millions)



* New permit fees were implemented in November 1999.

Mitigation Revenues FY1999 through FY2005 (in millions)



Other Miscellaneous: \$25,698,243

Included in this category are three main revenue types: self-insurance premiums, leases and sale of District property. The total of these sources is projected to be approximately \$25.7 million, and is expected during FY2005. This represents an increase of \$19.7 million from the previous fiscal year of \$6 million. The basis for the net increase in projected revenue is mainly attributed to projected sale of District real property, estimated at \$20 million.

The projected self-insurance premium cost of \$3.9 million is based on cost allocation formulas that distribute insurance and administrative expenses to user departments within the District. Lease revenues of \$1.7 million are based on historical trends relating to long-term cattle grazing and current agricultural leases on lands owned by the District. Included in the lease revenue projection is \$75,000 generated by the day care center lease. (The District offers on-site daycare to its employees at its headquarters office in West Palm Beach.) This amount is based on a contract between the current daycare operator and the District.

In FY2005, the District anticipates receiving a one-time allocation of funds from the sale of surplus real property for land acquisition in North Palm Beach County.

The last revenue source in this category is the sale of surplus tangible property, which is projected at less than \$0.1 million. The revenue estimate is based on historical data regarding surplus equipment and vehicle sales, and assumes there will be fewer items to sell at auction during FY2005.

Other Financing Sources: \$5,965,150

This revenue category includes capital leasing and bank loan proceeds. In FY2005, the revenue projection of approximately \$6 million assumes \$1.4 million will be received as part of the District's alternative financing program for purchasing field equipment through a capital leasing arrangement. It is also assumed that a bank loan for \$4.6 million will be obtained to cover the cost of the E-Quest project. The field equipment includes such capital items as an excavator, a front-loader and a towboat. The E-Quest project is the means by which the District will fulfill its goal of upgrading/changing its financial and other business-related software applications.

This revenue estimate represents approximately the same level as the FY2004 amended budget amount.

Fund Balance: \$60,327,016

The last revenue category is comprised of various undesignated fund balance amounts from prior fiscal years. An undesignated fund balance is defined as financial resources available for future spending or appropriation. The revenue projection of approximately \$60.3 million assumes this amount will be available from fund balances as a designated financing source for the FY2005 budget. This projected amount is \$39 million less than the FY2004 amended budget of \$99.3 million. Several factors affect how much fund balance is available to re-budget each fiscal year. Various factors affect availability of fund balances. These include delays in project schedules and/or the shifting of priorities, and changes in estimates on certain types of expenditures.

Summary of Estimated Financial Sources and Uses

Actual FY2003 through Projected FY2005

SOURCES	Major Funds					
	General Fund			Okeechobee Basin		
Revenue Type	FY03 Actual	FY04 Unaudited Actual	FY05 Projected	FY03 Actual	FY04 Unaudited Actual	FY05 Projected
Ad Valorem Property Taxes	\$122,871,881	\$138,283,638	\$156,354,560	\$123,493,809	\$138,494,677	\$156,862,153
Agriculture Privilege Taxes	-	-	-	-	-	-
Intergovernmental Revenue	200,854	131,604	-	417,919	1,515,309	725,755
Investment Earnings	2,280,217	2,032,981	2,333,048	2,201,132	1,918,359	2,528,109
Licenses, Permits and Fees	4,012,591	4,775,185	5,312,275	197,645	163,255	109,000
Other	7,314,516	8,007,958	92,500	931,060	157,117	52,500
Other Financing Sources						
Bond Proceeds/Escrow Payments	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-
Capital Leases	311,478	65,928	-	867,949	1,167,653	1,216,300
Loan Proceeds	-	-	-	-	-	-
Total Sources	\$136,991,537	\$153,297,294	\$164,092,383	\$128,109,514	\$143,416,370	\$161,493,817
Fund Balance Designated	\$4,842,279	\$3,869,380	\$9,699,938	\$11,453,970	\$5,410,051	\$12,968,123
Total Sources and Balances	\$141,833,816	\$157,166,674	\$173,792,321	\$139,563,484	\$148,826,421	\$174,461,940
Operating Transfers (Net)	(\$44,349,534)	(\$45,569,828)	(\$52,768,076)	(\$57,060,681)	(\$48,963,468)	(\$77,781,973)
GRAND TOTAL SOURCES	\$97,484,282	\$111,596,846	\$121,024,245	\$82,502,803	\$99,862,953	\$96,679,967

USES						
District Programs:						
Land Stewardship	\$35,059	\$65,831	\$185,855	\$1,759,694	\$2,026,555	\$1,011,897
District Everglades	3,342,290	2,534,482	-	1,002,428	578,581	-
Operations and Maintenance	10,032,985	9,680,492	10,545,962	52,174,121	52,046,245	64,593,593
Water Supply	11,672,125	9,824,483	17,122,928	359,319	132,003	127,910
Kissimmee Restoration	207,366	1,226,202	1,529,401	6,674,676	6,915,331	12,673,767
Regulation	13,507,090	13,471,108	16,253,206	82,004	129,672	-
Lake Okeechobee	1,057,046	937,422	1,851,059	4,726,363	4,135,952	4,855,201
Coastal Watersheds	3,183,142	2,891,291	6,253,457	2,096,292	3,310,346	1,669,372
Mission Support	52,145,690	57,678,318	67,282,377	8,812,755	9,377,693	11,748,227
Comprehensive Everglades Restoration Plan	-	36	-	166,801	25,380	-
GRAND TOTAL USES	\$95,182,793	\$98,309,665	\$121,024,245	\$77,854,453	\$78,677,758	\$96,679,967
SOURCES OVER USES	\$2,301,489	\$13,287,181	\$0	\$4,648,350	\$21,185,195	\$0

Summary of Estimated Financial Sources and Uses *Continued*

Actual FY2003 through Projected FY2005

SOURCES	Major Funds								
	State Appropriations			Everglades Restoration			CERP		
	FY03 Actual	FY04 Unaudited Actual	FY05 Projected	FY03 Actual	FY04 Unaudited Actual	FY05 Projected	FY03 Actual	FY04 Unaudited Actual	FY05 Projected
Ad Valorem Property Taxes	\$0	\$0	\$0	\$39,550,278	\$44,151,734	\$50,115,704	\$0	\$0	\$0
Agriculture Privilege Taxes	-	-	-	12,877,531	12,236,751	12,242,934	-	-	-
Intergovernmental Revenue	33,279,432	1,452,412	30,765,920	2,000,000	2,000,000	2,151,462	20,967	1,573,710	-
Investment Earnings	582,234	261,106	-	1,184,095	1,012,926	1,322,156	1,499,546	772,253	1,635,000
Licenses, Permits and Fees	-	-	-	-	-	-	-	-	-
Other	4,903	-	-	421,799	29,512	-	177,798	244,947	-
Other Financing Sources									
Bond Proceeds/Escrow Payments	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	315,513	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Total Sources	\$33,866,569	\$1,713,518	\$30,765,920	\$56,033,703	\$59,430,923	\$65,832,256	\$2,013,824	\$2,590,910	\$1,635,000
Fund Balance Designated	\$0	\$15,670,989	\$0	\$8,029,160	\$9,905,821	\$3,101,981	\$60,000,000	\$680,678	\$0
Total Sources and Balances	\$33,866,569	\$17,384,507	\$30,765,920	\$64,062,863	\$69,336,744	\$68,934,237	\$62,013,824	\$3,271,588	\$1,635,000
Operating Transfers (Net)	\$3,360	\$0	\$0	(\$6,823,303)	(\$8,902,236)	(\$13,419,426)	\$68,178,328	\$76,867,625	\$90,177,674
GRAND TOTAL SOURCES	\$33,869,929	\$17,384,507	\$30,765,920	\$57,239,560	\$60,434,508	\$55,514,811	\$130,192,152	\$80,139,213	\$91,812,674

USES									
District Programs:									
Land Stewardship	\$0	\$0	\$0	\$0	\$0	\$0	\$13,714	\$4,494	\$0
District Everglades	-	-	500,000	57,395,933	33,011,437	55,514,811	-	-	-
Operations and Maintenance	14,639,051	8,878,940	10,000,000	-	-	-	-	-	-
Water Supply	1,036,182	3,557,508	20,000	-	-	-	-	200,000	-
Kissimmee Restoration	-	339,372	750,000	-	-	-	-	8,143,102	-
Regulation	1,414,400	134,162	-	-	1,323	-	-	-	-
Lake Okeechobee	36,250	308,436	138,750	-	-	-	-	5,840	-
Coastal Watersheds	1,582,025	4,868,047	15,357,170	-	-	-	-	-	-
Mission Support	-	-	-	-	467	-	-	-	-
Comprehensive Everglades Restoration Plan	6,403,113	245,182	4,000,000	-	-	-	91,253,319	53,906,955	91,812,674
GRAND TOTAL USES	\$25,111,021	\$18,331,647	\$30,765,920	\$57,395,933	\$33,013,227	\$55,514,811	\$91,267,033	\$62,260,391	\$91,812,674
SOURCES OVER USES	\$8,758,908	(\$947,140)	\$0	(\$156,373)	\$27,421,281	\$0	\$38,925,119	\$17,878,822	\$0

Major Funds			Non-Major Funds					
Save Our Everglades Trust			Other Government Funds			ALL FUNDS		
FY03 Actual	FY04 Unaudited Actual	FY05 Projected	FY03 Actual	FY04 Unaudited Actual	FY05 Projected	FY03 Actual	FY04 Unaudited Actual	FY05 Projected
\$0	\$0	\$0	\$9,261,250	\$10,741,281	\$12,038,767	\$295,177,218	\$331,671,330	\$375,371,184
-	-	-	-	-	-	\$12,877,531	\$12,236,751	\$12,242,934
63,988,430	122,264,093	134,411,135	113,792,463	64,380,395	126,297,418	\$213,700,065	\$193,317,523	\$294,351,690
29,426	2,440	-	2,756,329	2,374,842	951,750	\$10,532,979	\$8,374,907	\$8,770,063
-	-	-	11,281,870	4,908,113	4,152,437	\$15,492,106	\$9,846,553	\$9,573,712
1,457,860	165,267	-	3,955,465	5,302,858	25,553,243	\$14,263,401	\$13,907,659	\$25,698,243
-	-	-	34,550,000	-	-	\$34,550,000	\$0	\$0
-	-	-	2,460,629	-	-	\$2,460,629	\$0	\$0
-	-	-	5,060	165,845	156,000	\$1,500,000	\$1,399,426	\$1,372,300
-	-	-	4,827,374	-	4,592,850	\$4,827,374	\$0	\$4,592,850
\$65,475,716	\$122,431,800	\$134,411,135	\$182,890,440	\$87,873,334	\$173,742,465	\$605,381,303	\$570,754,149	\$731,972,976
(\$2,833,344)	\$1,030,047	\$0	\$20,347,469	\$62,687,708	\$34,556,974	\$101,839,534	\$99,254,674	\$60,327,016
\$62,642,372	\$123,461,847	\$134,411,135	\$203,237,909	\$150,561,042	\$208,299,439	\$707,220,837	\$670,008,823	\$792,299,992
\$5,720,329	(\$39,750)	\$0	\$34,331,501	\$26,607,657	\$53,791,801	\$0	\$0	\$0
\$68,362,701	\$123,422,097	\$134,411,135	\$237,569,410	\$177,168,699	\$262,091,240	\$707,220,837	\$670,008,823	\$792,299,992

\$0	\$0	\$0	\$91,904,374	\$45,782,224	\$55,911,154	\$93,712,841	\$47,879,104	\$57,108,906
-	-	-	18,289,621	18,864,844	13,186,759	\$80,030,272	\$54,989,344	\$69,201,570
-	-	-	38,354,140	20,896,529	60,377,441	\$115,200,297	\$91,502,206	\$145,516,996
-	-	-	4,220,825	3,307,339	6,134,963	\$17,288,451	\$17,021,333	\$23,405,801
-	-	-	5,610,359	28,904,004	33,255,000	\$12,492,401	\$45,528,011	\$48,208,168
-	-	-	1,486	2,218	266,200	\$15,004,980	\$13,738,483	\$16,519,406
-	-	-	6,234,608	5,573,619	14,165,171	\$12,054,267	\$10,961,269	\$21,010,181
-	-	-	608,060	1,605,470	6,948,072	\$7,469,519	\$12,675,154	\$30,228,071
-	-	-	12,842,573	13,397,614	17,071,986	\$73,801,018	\$80,454,092	\$96,102,590
61,276,570	129,362,518	134,411,135	17,436,010	19,668,742	54,774,494	\$176,535,813	\$203,208,813	\$284,998,303
\$61,276,570	\$129,362,518	\$134,411,135	\$195,502,056	\$158,002,603	\$262,091,240	\$603,589,859	\$577,957,809	\$792,299,992
\$7,086,131	(\$5,940,421)	\$0	\$42,067,354	\$19,166,096	\$0	\$103,630,978	\$92,051,014	\$0

Changes in Total Fund Balances

Actual FY2004 through Projected FY2005

CHANGES IN TOTAL FUND BALANCES	General Fund	Okeechobee Basin	State Appropriations	Everglades Trust Fund
FY2004				
Actual Beginning Fund Balance 10/01/03	33,946,634	29,115,477	48,668,125	19,734,927
Total Revenues	153,231,367	142,248,717	1,713,518	59,430,923
Total Expenditures	(102,509,904)	(81,100,049)	(19,570,525)	(38,427,562)
Total Other Financing Sources (Uses)	(45,503,900)	(47,795,815)	-	(8,902,236)
Actual Unaudited Ending Fund Balance 9/30/04	39,164,197	42,468,330	30,811,118	31,836,052
FY2005				
Projected Beginning Fund Balance 10/01/04	39,164,197	42,468,330	30,811,118	31,836,052
Total Revenues	164,092,383	160,277,517	30,765,920	65,832,256
Total Expenditures	(121,024,245)	(96,679,967)	(30,765,920)	(55,514,811)
Total Other Financing Sources (Uses)	(52,768,076)	(76,565,673)	-	(13,419,426)
Projected Ending Fund Balance 9/30/05	29,464,259	29,500,207	30,811,118	28,734,071
Projected Dollar Change in Fund Balance	(9,699,938)	(12,968,123)	-	(3,101,981)
PROJECTED PERCENTAGE CHANGE IN FUND BALANCE	-24.8%	-30.5%	0.0%	-9.7%

CHANGES IN TOTAL FUND BALANCES	CERP	Save Our Everglades	Other Governmental Funds	Total Governmental Funds
FY2004				
Actual Beginning Fund Balance 10/01/03	50,769,137	7,086,153	151,289,068	340,609,521
Total Revenues	2,590,910	122,431,800	87,707,489	569,354,724
Total Expenditures	(71,991,117)	(129,913,127)	(161,923,044)	(605,435,328)
Total Other Financing Sources (Uses)	76,867,625	(39,750)	26,773,502	1,399,426
Actual Unaudited Ending Fund Balance 9/30/04	58,236,555	(434,924)	103,847,015	305,928,343
FY2005				
Projected Beginning Fund Balance 10/01/04	58,236,555	(434,924)	103,847,015	305,928,343
Total Revenues	1,635,000	134,411,135	168,993,615	726,007,826
Total Expenditures	(91,812,674)	(134,411,135)	(262,091,240)	(792,299,992)
Total Other Financing Sources (Uses)	90,177,674	-	58,540,651	5,965,150
Projected Ending Fund Balance 9/30/05	58,236,555	(434,924)	69,290,041	245,601,327
Projected Dollar Change in Fund Balance	-	-	(34,556,974)	(60,327,016)
PROJECTED PERCENTAGE CHANGE IN FUND BALANCE	0.0%	0.0%	-33.3%	-19.7%

General Fund

The anticipated decrease of 24.8 percent or \$9.7 million is the result of projected increases in personnel services costs related to salaries and benefits; and contractual services, such as local government agreements, IT services and science/engineering services.

Okeechobee Basin Fund

The estimated decrease of 30.5 percent or \$13 million was due primarily to an increase in funding for the Operations and Maintenance Program (as part of FY2005 District's Strategic Plan and funding priorities) for refurbishments to the regional flood control system, and for personnel costs related to salaries and benefits.

Everglades Trust Fund

The projected fund balance is estimated to decrease by 9.7 percent or \$3.1 million by the end of FY2005. The fund balance reduction is due to expenditure increases in Everglades Construction Plan operations and maintenance activities, and Long-Term Plan requirements.

Other Governmental Funds

The estimated decrease of 33.3 percent or \$34.6 million was due to an increase in expenditures, attributable to Alternative Water Supply grants, Florida Bay projects, land acquisition projects, wetlands mitigation activities and several capital projects scheduled in Big Cypress Basin and at the District's headquarters.

Debt Summary

The District's outstanding bond and bank loan debts are \$80,153,797, as of the end of fiscal year 2004. This total includes the following debts:

- Special Obligation Land Acquisition Refunding Bonds, Series 1995: \$5,170,000
- Special Obligation Land Acquisition Refunding Bonds, Series 2002: \$23,810,000
- Special Obligation Land Acquisition Refunding Bonds, Series 2003: \$34,550,000
- Commercial Bank Debt: \$16,623,797

The District finances the acquisition of environmentally sensitive lands with funding from Special Obligation Land Acquisition Bonds. In an effort to save money on long-term borrowing, the District refunded outstanding series 1993 and 1996 Special Obligation Land Acquisition Bonds in FY2002 and FY2003. The District's Special Obligation Bonds are highly rated by bond rating companies. District bonds are rated AAA/A+ by Standard & Poors, AAA/A- by Fitch Ratings and Aaa/A1 by Moody's Investors Service. The District strives to maintain this superior bond rating for its obligation, which facilitates favorable borrowing costs. A bond rating is a statement to investors of the investment quality of bonds. It is based on economic, financial and managerial condition of an agency.

Two bank loans for \$10 million each and one for \$9 million funded the construction of capital projects. An emergency operations center, a field operations center and a service center in Fort Myers were all acquired with the first bank loan, which was obtained in 1998. The second and third loans funded the construction of an office building at the West Palm Beach headquarters during FY2000-02. In FY2003, the District borrowed \$4,827,374 for the telemetry system analog-to-digital conversion project.

The following table details the District's current debt and its impact on the FY2005 operating budget:

Impact on Current Operating Budget

Existing Debt	Original Issue	Outstanding 9/30/04	Fiscal Year Maturity	Principal FY2005	Interest FY2005	Total FY2005 Requirements
Non-Major Funds						
1995 Refunding	\$17,975,000	\$5,170,000	2005-2007	\$2,125,000	\$203,250	\$2,328,250
2002 Refunding	23,810,000	23,810,000	2005-2016	770,000	776,022	1,546,022
2003 Refunding	34,550,000	34,550,000	2005-2016	365,000	1,604,158	1,969,158
Bank Loans	37,554,630	11,796,423	2005-2011	4,477,292	454,936	4,932,228
SUBTOTAL	113,889,630	75,326,423		7,737,292	3,038,366	10,775,658
Major Fund – Okeechobee Basin						
Bank Loans	4,827,374	4,827,374	2005-2011	689,625	167,746	857,371
TOTAL	\$118,717,004	\$80,153,797		\$8,426,917	\$3,206,112	\$11,633,029

Future Debt and Implications for the Budget

Substantial capital requirements are anticipated for the construction of the accelerated CERP projects (Acceler8). The District is in the process of planning debt issuance to support these efforts. The debt will be in the form of Certificates of Participation (COPs), which are authorized as a District financing mechanism by F.S. 373.584. The first issuance of this debt is not anticipated until FY2006.

The District's Governing Board ratified a Memorandum of Agreement (MOA) with the Executive Office of the Governor (EOG) on October 14, 2004. The MOA provides specific guidelines for the issuance and management of this debt. These guidelines include:

1. The acceleration of CERP projects shall not result in an increase in state funding or in the millage rates levied by the District.

2. Each accelerated project shall be subject to the review and approval of the EOG.
3. The borrowing shall be consistent with the District's debt management policies.
4. The District's debt management policies shall be amended to limit debt service associated with long-term debt to no more than 20 percent of the available ad valorem revenues, related interest thereon, and permit fee revenues.

The District's existing debt management policy is being modified to comply with guideline 4.

It is anticipated that the debt for these projects will be issued in approximately five increments over a three-year period to support the construction of separate and distinct projects. Design efforts for these CERP projects, as well as other non-accelerated projects, will be paid from current revenues and accumulated reserves. Land acquisition will continue to be funded primarily by Florida's Save Our Everglades Trust Fund.

It is anticipated that the debt service for the COPs will be paid from the \$100 million in ad valorem revenues committed to CERP annually. The remaining CERP projects (i.e., the non-accelerated projects) will be funded through a combination of fund balance, tax roll growth and renegotiation of agreements with the District's federal partner, the U.S. Army Corps of Engineers.

The following table details scheduled debt payments on existing bonds and bank loans for future budget years:

Future Debt Service Requirements on Existing Debt

	Fiscal Year	Principal	Interest	Total Requirements
Bonds				
	2006	\$4,500,000	\$2,444,126	\$6,944,126
	2007	4,660,000	2,303,401	6,963,401
	2008	4,785,000	2,143,086	6,928,086
	2009	4,975,000	1,940,171	6,915,171
	2010-2014	28,245,000	6,282,251	34,527,251
	2015-2016	13,105,000	634,738	13,739,738
Total		\$60,270,000	\$15,747,773	\$76,017,773
Bank Loans				
	2006	\$3,577,803	\$417,919	\$3,995,722
	2007	3,704,587	265,334	3,969,921
	2008	2,105,615	128,578	2,234,193
	2009	689,625	64,539	754,164
	2010	689,625	38,738	728,363
	2011	689,625	12,936	702,561
Total		\$11,456,880	\$928,044	\$12,384,924
TOTAL ALL DEBT		\$71,726,880	\$16,675,817	\$88,402,697

Debt Limits

The District is not legally restricted as to the amount of debt that can be issued. Guidelines on debt limits are included in the District's debt policy. The District is within debt limits set by the current policy.

Our Mission and Vision

The District adopted the following mission and vision statements, after considering relevant legislation regarding the District's role and responsibilities, and receiving policy guidance from the governor and the Department of Environmental Protection:

Our Mission

To manage and protect water resources of the region by balancing and improving the following:



Water Quality



Flood Control



Natural Systems



Water Supply

Our Vision

To be the world's premier water resource agency



Our Values

Excellence

Our knowledge, experience and passion set us apart as world-renowned water managers

Team

We are committed to the success of all as individuals, as a team and as an organization

Communication

We value and expect open, honest and timely communication

Honesty

Honesty is never compromised

Service

We meet our internal and external customer's needs with professionalism and integrity

Integrity

Teamwork and sound science are the foundation of our excellence

Diversity

Our diversity is the cornerstone of our strength

Focus

We are steadfast in our belief and commitment to the District's mission

Adaptability

We embrace change by taking informed risks and capitalizing on new opportunities and challenges

Enthusiasm

We do the coolest work on the planet!

Program Policies

The Florida Department of Environmental Protection and water management districts are directed by Florida Statute to take into account the cumulative factors that affect water resources and manage them in a manner that ensures their sustainability. The Florida legislature further directs those agencies to apply the following policies:

- Provide for the management of water and related land resources
- Promote the conservation, replenishment, recapture, enhancement, development and proper use of surface and ground water
- Develop and regulate dams, impoundments, reservoirs and other works, and provide water storage for beneficial purposes
- Promote the availability of sufficient water for natural systems, and for all reasonable and beneficial uses
- Prevent damage from floods, soil erosion and excessive drainage
- Minimize degradation of water resources caused by the discharge of stormwater
- Preserve natural resources, fish and wildlife
- Promote recreational development, protect public lands, and assist in maintaining the navigability of rivers and harbors
- Promote the health, safety and general welfare of the people of Florida

Guiding Principles

Accomplishing the District's mission and implementing the programs and projects identified in the District's budget requires a unified effort by the members of the Governing Board, District staff, other agencies and groups, and the public. Such unity can be achieved only when each group understands the guiding principles that reflect the culture of the agency. The following principles reflect these core beliefs:

- The District will balance the needs of natural resource systems, flood protection and water supply, all within the context of a regional ecosystem.
- The District will maintain accountability and the prudent use of financial resources. The District has adopted 16 principles of financial management that govern the following:
 - Purchase of goods and services
 - Preparation of financial reports
 - Management of cash, debt and reserve funds
 - Preparation of operating and capital budgets
 - Maintenance of sound internal controls and audit functions
- The District recognizes the value of cooperative relationships with the public and private sectors and other members of the community, and the need to communicate strategic decisions to these audiences.
- The District will achieve the budget implementation through effective communication of priorities, multi-disciplinary teamwork and inter-departmental coordination.
- The District values the diversity of its workforce for the varied perspectives its members bring in accomplishing our mission.

By following these guiding principles, the District will maintain its reputation and position as a recognized steward of water resources.

Long-Term Goals



St. Lucie Estuary

To carry out its mission and vision, the District has established long-term goals, objectives and policies. These are codified in The District Water Management Plan (DWMP), completed in August 2000. The DWMP defines the District's role in water resources management and provides comprehensive, long-range guidance for the implementation of District responsibilities under state and federal laws. The plan identifies four major areas of responsibility in managing water resources: water supply, flood protection and floodplain management, water quality, and natural systems management.

The DWMP, in conjunction with the District's Strategic Plan and annual budget cycle, enables the agency to meet its goals and position itself to design, build, operate and maintain the diverse projects and processes needed to attain the identified objectives. As the budget is developed each year, the District aligns its activities to support the achievement of these goals.

Mission Element	Agency-wide Goals	FTE Positions	FY2005 Budget (In Millions)	Share of Budget (%)
Water Supply	<ul style="list-style-type: none"> • Maintain and increase available water supplies, and maximize overall water-use efficiency for human and environmental needs • Prevent adverse impact to water supplies 	237.5	\$95.9	12.1%
Flood Protection	<ul style="list-style-type: none"> • Minimize damage from flooding by optimally operating and maintaining the primary flood control system • Determine the need for increased capacity within the primary flood control system to attain targeted levels of service • Promote nonstructural approaches to achieve flood protection, as a means to protect and restore the natural features of the floodplain 	804.7	\$240.6	30.4%
Water Quality	<ul style="list-style-type: none"> • Protect and improve surface water quality • Protect and improve groundwater quality 	292.0	\$215.7	27.2%
Natural Systems	<ul style="list-style-type: none"> • Maintain the integrity and functions of water resources and related natural systems • Restore the integrity and functions of water resources and related natural systems to a naturally functioning condition 	436.8	\$240.1	30.3%
TOTAL		1771	\$792.3	100%

Linking Programs to Agency-wide Goals

To meet its long-term goals, the District has established 10 programs that support the agency's mission. Regional programs cover the Kissimmee-Okeechobee-Everglades system, as well as the coastal areas. These region-based programs are as follows:

- Kissimmee Restoration
- Lake Okeechobee
- Comprehensive Everglades Restoration Plan (CERP)
- District Everglades
- Coastal Watersheds

The remaining five programs support the efforts of the previous five programs and of the District in general:

- Land Stewardship
- Operations and Maintenance
- Regulation
- Water Supply
- Mission Support

Each of the 10 programs has a goal expressed in the Strategic Plan, and these goals are related directly to the District's long-range goals and policies described at the beginning of this section. Regional programs encompass the agency's goals for their respective regions in all four of the District's Areas of Responsibility (AOR): Water Supply, Flood Protection, Water Supply and Natural Systems. Regional restoration and protection are the central functions of these programs. The other five programs are also essential in serving the District's AORs and long-term goals:

- Land Stewardship obtains and manages necessary lands
- Operations and Maintenance manages the District's water control structures
- Regulation and Water Supply protect the functions of the District's four AORs while facilitating human use
- Mission Support enables the agency to function as a business operation



S-127 Pump Station near Lake Okeechobee

District programs are organized so that a program coordinator manages each program. Each coordinator has responsibility for the successful implementation of the program and its projects and processes. These programs encompass all activities undertaken by the District.

The following table shows the alignment of the District's program budget to long-term goals:

Program Name	Program Goal	FTE (Positions)	FY2005 Budget (In Millions)
Coastal Watersheds	<ul style="list-style-type: none"> • Restore coastal watersheds and estuaries through local initiatives • Provide a better understanding of restoration effects on coastal ecosystems • Decrease flood damage through proactive flood management planning 	38.1	\$30.3
Comprehensive Everglades Restoration Plan	<ul style="list-style-type: none"> • Restore, preserve and protect South Florida's ecosystem while providing for other water-related needs of the region, including water supply and flood protection 	158.2	\$285.0
District Everglades	<ul style="list-style-type: none"> • Contribute to Everglades restoration by restoring water quality, restoring hydrology and improving planning and operational decisions through applied science 	180.3	\$69.2
Kissimmee Restoration	<ul style="list-style-type: none"> • Restore the ecological integrity of the Kissimmee River and floodplain ecosystem • Improve water quality, water supply, natural resources and flood control levels of service in the Kissimmee Upper Basin • Regulate the headwater and river system to balance affects to the upper and lower basins 	44.4	\$48.2
Lake Okeechobee	<ul style="list-style-type: none"> • Improve the health of the Lake Okeechobee ecosystem by improving water quality, reducing or eliminating exotic species and better managing water levels 	55.3	\$21.0
Land Stewardship	<ul style="list-style-type: none"> • Restore conservation and preservation lands to a natural condition • Provide compatible public access • Efficiently manage project lands 	51.5	\$57.1
Operations and Maintenance	<ul style="list-style-type: none"> • Minimize damage from flooding • Provide adequate regional water supply • Protect and restore the environment by optimally operating and maintaining the primary flood control and water supply system 	568.9	\$145.5
Regulation	<ul style="list-style-type: none"> • Provide fair, consistent and timely review of permit applications in accordance with the adopted rules and criteria of the District • Ensure compliance with issued permits • Take enforcement action where necessary 	186.3	\$16.5
Water Supply	<ul style="list-style-type: none"> • Ensure an adequate supply of water to protect and enhance natural systems and to meet all existing reasonable-beneficial uses, while sustaining water resources for future generations 	70.1	\$23.4
Mission Support	<ul style="list-style-type: none"> • Ensure business and data integrity in compliance with Florida Statutes and Governing Board policy by providing timely and accurate business, human resource, technical, policy, outreach and safety expertise within consistent, reliable, streamlined processes 	417.9	\$96.1
TOTAL		1,771	\$792.3

Please see the Work Plan and Budget section for details about how each program contributes to District goals and the measures used to determine whether these goals are achieved.

Economic Outlook

Growth in the local economy affects the District's ability to generate revenues. This is because the District's primary revenue is from ad valorem taxes, which are property taxes based on assessed values of property in the region. Population growth and the associated construction of housing and commercial structures contribute to the growth of assessed property values by increasing the number of units. Low unemployment and interest rates contribute to the maintenance or increase of property prices, resulting in higher assessed values.

Population in the District has increased significantly in the recent past and this growth is expected to continue over the next five years. Overall, the District's population is expected to grow at a rate of approximately 1.6 percent per year. While the largest numerical increases in population will be in the large urban counties of the Southeast Coast (Palm Beach, Broward and Miami-Dade), the highest growth rates will be in Collier and St. Lucie Counties.

Florida's economic conditions are improving. The August 2004 employment figures, released by the Agency for Workforce Innovation, indicate a slightly lower seasonally adjusted unemployment rate of 4.5 percent for Florida, compared to a seasonally adjusted rate of 5.4 percent for the entire United States. This year's Florida unemployment

rate is also lower than the Florida seasonally adjusted unemployment rate for August 2003, which was 5.2 percent. Initial claims for unemployment increased by 34 percent compared to a year ago, but it is believed that many of these new claims for unemployment are hurricane related. There is a high degree of month-to-month fluctuation in the number of new jobs created.



Inflow for Stormwater Treatment Area 3/4

Based on insurance industry estimates, economic losses from hurricanes in Florida this year are between \$19 billion and \$36 billion, compared to an estimated \$35 billion in losses from Hurricane Andrew in 1992. An ancillary effect of the hurricanes, however, has been an increase in construction activity associated with the repair of damaged structures. The Florida Agency for Workforce

Innovation put into place a number of assistance and job placement services in response to the Florida hurricanes. The U. S. Department of Labor has awarded a total of \$75 million in National Emergency Grants to assist Florida in recovery efforts resulting from recent hurricane damage. Florida's Department of Revenue estimates the hurricanes will have a \$3.8 billion impact on the tax roll.

The 2004 real estate market in South Florida was strong prior to the onslaught of the four hurricanes. Although some temporary slowdown in the real estate market is likely, the long-term impact of these hurricanes on real estate is not expected to be significant.

While the above factors indicate a generally promising economic outlook for South Florida in the near future, the potential for terrorism, worsening economic conditions and catastrophic weather events means the District must prepare for such contingencies. As a result, the District has established an Economic Stabilization Fund as part of its overall Principles of Financial Management. This fund has been established to set aside reserves to address unforeseen events, and to offset unexpected revenue downturns. As of September 30, 2004, the economic stabilization reserve was \$13.7 million.

Ten-Year Financial Forecast

The District has prepared a 10-year financial forecast for FY2006 through FY2015. This vital planning tool provides a view of a longer timeframe when prioritizing resource allocations among competing programs.

As in FY2004, the 10-year forecast focuses on revenue sources for which the District can exercise spending discretion. The goal was to map out a strategy for prioritizing expenditure of discretionary funds over a 10-year period. The following key assumptions were at the core of the basic approach:

Ad Valorem Revenue Projections

The ad valorem revenue projections were based on the assumption that millage rates would stay at existing levels. Any increases in ad valorem revenues, therefore, would have to be the result of tax base increases.

Ad valorem revenue projections were based on projected tax base increases. These increases were calculated for counties falling within the District's jurisdiction, per the October 2004 Ad Valorem Estimating Conference forecast for FY2007 through FY2012. The projection for FY2013 through FY2015 reflects a slightly more conservative rate than the last available yearly projection. The FY2006 estimate is based on the District's historical average for the preceding seven-year period.

Expenditure Projections

To properly frame the revenue projection and give a more realistic indication of available net revenues, expenditure projections were also made. It was assumed that current effort levels would be continued for programs supported by the revenue sources identified in the study, and that staffing costs would increase at an annual rate of 6 percent, based on historical averages. It was also assumed that operating and capital expenditures supported by these revenues would increase 2.5 percent per year, as indicated in the U.S. Department of Labor Consumer Price Index for this area.

Approach

Since District revenue sources are dependent on their intended uses, revenues for FY2004 were grouped into three main fund categories:

Group A: Discretionary Funds

The District has the authority to spend Discretionary funds for any valid purpose, without being restricted by program or activity. Included in this category are District-wide and Okeechobee Basin ad valorem revenues, interest accrued on cash balances of these funds, permit fees, sale of surplus items and lease fees.

Group B: Discretionary Funds with Restrictions

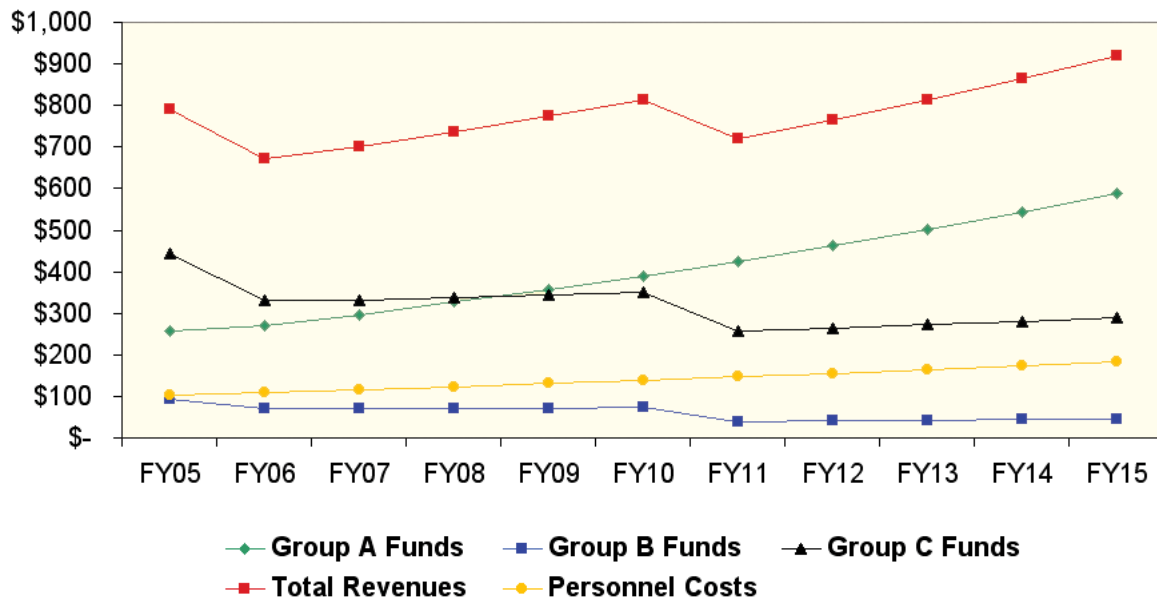
The District has leeway as to how some funds will be used, as long as they are used within a given range of mandated activities or programs. Included in this category are funds from the Water Management Lands Trust Fund, which derives revenue from the statewide documentary stamp tax on real estate transactions; the Florida Forever program, which is a 10-year program of state-issued debt from which the state's five water management districts receive funding; and Big Cypress Basin ad valorem revenues.

Group C: Restricted or Dedicated Funds

Funds received for a specific purpose or program are not available for at-large District activities. This applies to funds derived from such sources as the U.S. Department of Interior, District mitigation programs and the Save Our Everglades Trust Fund. Also included in this group is the 0.100 mill Okeechobee Basin ad valorem levy, which is dedicated for the Everglades Construction Project (ECP); the annual \$100 million District ad valorem commitment to CERP; and Everglades Agricultural Area and C-139 Basin agricultural privilege taxes.

All three groups were projected for the 10-year period of FY2006 through FY2015. The following graph reflects this projection, and includes the FY2005 budget for all three groups of funds:

Revenue Projections FY2005 through FY2015 (in millions)

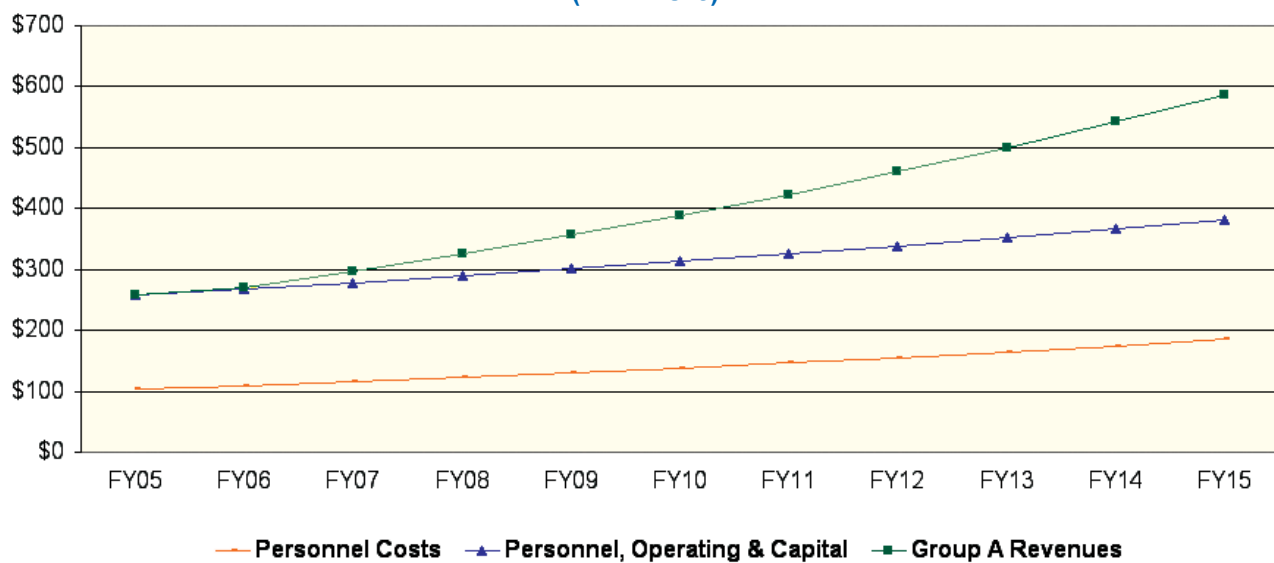


Identification of discretionary revenues was at the core of the District's 10-year forecasting exercise. The goal was to determine how much funding could reasonably be expected for new or existing programs, after supporting current service and staffing levels. It was hoped this information would enable policymakers to provide direction for the best use of these funds. Group C funds were not considered, as they represent revenues received by the District for specific programs. Simply stated, if the work supported by these revenues is not going to be performed, these revenues would not be available for other District activities. Although similarly dedicated, Group B funds offered opportunities for use in alternative programs, given certain limitations. These opportunities were considered and included in the annual 10-year strategic planning horizon.

The graph below reflects a 10-year projection of discretionary funds, compared with a projection of personnel, operating and capital costs supported by those funds. The graph shows that although Group A revenues are projected to increase by \$329.5 million, it is also projected that \$124.8 million of this increase would be consumed by a rise in personnel, operating and capital costs. These costs are projected to rise from \$257.5 million in FY2005 to \$382.3 million in FY2015. The expenditure projections in the graph assumed a 6 percent annual increase in staffing costs, based on historical data. Also assumed was a 2.5 percent annual increase in operating and capital costs, based on U.S. Department of Labor CPI data from October 2004.

As the graph indicates, Group A revenues are projected to outpace expenditures by over \$204 million by the end of the forecast period. Cumulatively, this equates to over \$939 million over the 10-year period.

Use of Discretionary Funds FY2005 through FY2015 (in millions)



	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Group A Revenues	257.5	269.5	296.1	326.4	357.1	388.8
Personnel, operating and capital costs	(257.5)	(267.5)	(278.0)	(289.0)	(300.6)	(312.6)
Net discretionary revenues	0.0	2.0	18.1	37.4	56.5	76.2
Cumulative		2.0	20.1	57.5	114.0	190.2

	FY2011	FY2012	FY2013	FY2014	FY2015
Group A Revenues	423.2	461.6	500.6	542.3	587.0
Personnel, operating and capital costs	(325.3)	(338.6)	(352.4)	(367.0)	(382.3)
Net discretionary revenues	97.9	123.0	148.2	175.3	204.7
Cumulative	288.1	411.1	559.2	734.5	939.2

Summary

Current economic trends indicate there is strong likelihood the District will continue to enjoy robust growth in its ad valorem tax base. This was substantiated by the state's Ad Valorem Estimating Conference, which along with many other factors, considered the impact on the tax rolls of the four hurricanes that hit Florida during 2004. District-wide tax roll growth estimates range from 7 percent to 10 percent over the forecast period. Total discretionary revenue, which is composed primarily of ad valorem funds, is projected to grow by \$329.5 million, from \$257.5 million in FY2005 to \$587 million in FY2015.

In contrast, personnel, operating and capital costs supported by these revenues are expected to increase from \$257.5 million to \$382.3 million during the same period, for an increase of \$124.8 million. This assumes that increases in personnel and other costs can be held at reasonably low levels for existing programs. As a result, it appears the District will have substantial levels of available net discretionary funds with which to expand services and/or begin new programs and projects.

Additional revenue growth is dependent on strategic management. It is understood that for management to take full advantage of projected revenue growth, it must strive to:

- Target the use of discretionary funds to strategic program and project priorities
- Mitigate the growth in ongoing personnel costs
- Control contractual service costs by aligning with the District's strategic direction and properly estimating annual funding requirements
- Shift eligible costs, such as the Water Management Lands Trust Fund and Florida Forever, to Group B funding
- Pursue alternative revenue sources, such as local government partnership agreements, public/private agreements, increased lease revenues and expanded permit fees

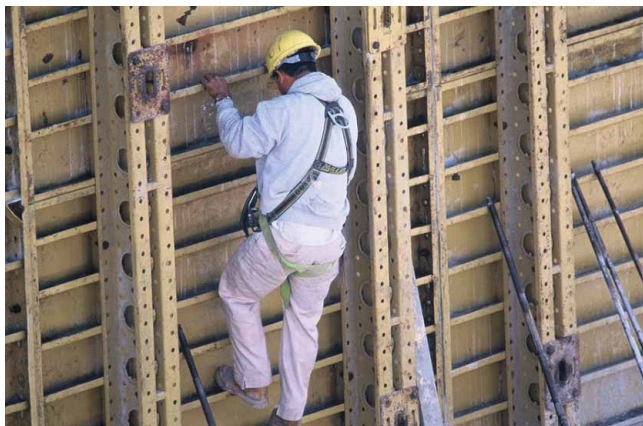


Capital Improvements Plan

Capital Improvements Plan Overview

The Capital Improvements Plan (CIP) is a five-year budget plan that includes estimated capital project expenditures, anticipated revenues and project descriptions for FY2005 through FY2009. The FY2005 portion of the CIP is the District's financial plan for capital project expenditures that are beginning, continuing or scheduled to be completed during the fiscal year.

The projects included in the CIP reflect District priorities outlined in the Strategic Plan. The CIP provides a formal mechanism for making decisions on capital projects and the budget. It also supports the District's mission by providing a framework for allocating resources between District programs, based on improvement or refurbishment, construction and land acquisition priorities.



CERP Construction

The plan includes a five-year financial schedule of expenditures and revenues for approved capital projects in the current fiscal year and a four-year capital project forecast. Also included in the plan is a detailed description of each capital project. The five-year CIP projects are classified under seven of the 10 District programs. Those programs are the Comprehensive Everglades Restoration Plan (CERP), District Everglades, Operations and Maintenance (O&M), Land Stewardship, Kissimmee Restoration, Lake Okeechobee and Mission Support.

The FY2005 capital budget totals \$488.8 million, which is \$1.8 million or .4 percent less than last year's capital budget of \$490.6 million. This reduction resulted from net increases and decreases in all seven programs, with the more significant decrease of \$7.5 million in the CERP program. Contributing to this decrease was a lower beginning balance in the Save Our Everglades Trust Fund. Partially offsetting this program decrease was an increase in ad valorem funding dedicated to CERP.

Capital Expenditures

- A capital expenditure is a capital outlay for a physical asset, constructed or purchased, that has a minimum cost of \$750 and an expected useful life in excess of one year.
- The CIP excludes tangible personal property.
- Capital outlay expenditures include land improvements and easements, land acquisition and associated costs, water control structures, bridges, buildings and building improvements.

This year, the CIP has been included in Volume II of the District's 2005 South Florida Environmental Report (SFER). The report is a product of a major consolidation process authorized on May 12, 2004 by the Florida legislature, in Laws of Florida, Chapter 2004-53. This legislation directs the District to undertake a pilot project to consolidate mandated plans and reports to the Florida legislature and the governor. The report will be submitted to the legislature on February 15, 2005.

The CIP is available for review in Volume II, Chapter 9 of the SFER. The five-year financial plan is outlined as a spreadsheet in Appendix 9-1 of Volume II of the SFER. The individual detailed capital-project description pages may be referenced in Appendix 1-3 of Volume II. The report can be found at <http://www.sfwmd.gov/sfer/>. Click the "2005 South Florida Environmental Report" link, and then click the "Volume II Chapters" link under the Table of Contents.

Project Plan Linkage to Budget Development

Capital Improvement Plan (CIP) development begins during the District's strategic planning phase in December, and CIP funding needs are analyzed as part of the District's 10-year financial forecast and long-term funding strategy. The CIP is developed through partnerships between the Budget Division, project managers, program coordinators and their respective financial appointees.

Within each program, the capital projects are chosen based on guidelines from the Governing Board, executive management and the Budget Division. Individual long-range project plans set forth by the program coordinators are also considered during CIP development. A brief description of how capital projects are selected and prioritized within each program follows:

Comprehensive Everglades Restoration Plan Program

Comprehensive Everglades Restoration Plan (CERP) and Critical Restoration Projects (CRP)

Scheduled program expenditures reflect the implementation plan developed jointly between the District and its federal partners, lead by the U.S. Army Corps of Engineers (USACE). The original schedule for CERP implementation was developed as part of the Central and Southern Florida Project Comprehensive Review Study (April 1999). This multi-agency effort resulted in setting the program's goals and objectives. This plan was subsequently approved by Congress in the Water Resources Development Act of 2000.

The first revision to the original implementation schedule was called for in the Master Program Management Plan (August 2000). Further revisions to the schedule have been made as Project Management Plans (PMP) for specific projects are completed.

Currently, the overall process through which the program's implementation is modified and/or re-prioritized is governed by the Master Implementation Sequencing Plan called for in the CERP Programmatic Regulations. The Programmatic Regulations direct the District and the USACE to develop a new schedule and sequencing plan, taking into account work already done, and project component packaging. These regulations also direct the District and USACE to consult with a variety of federal, state and tribal entities. It is through this consultation process that the public will have the opportunity to provide comment. The District is also collaborating with the Water Resources Advisory Commission to present the plan, as well as other programmatic regulations, to the public for review.

Operations and Maintenance Program

Improvements to system-wide water control structures

The Operations and Maintenance (O&M) Program's 50-year Asset Replacement/Refurbishment Plan serves as the long-term plan for C&SF system-wide water control structure improvements. The plan incorporates input from assets manufacturers, internal standards developed in O&M during the last 40 years, USACE nationwide standards and assessment of the general condition of assets. The elements in the internal standards are evaluated and updated on a regular basis, and the condition status is updated based on semi-annual inspections of field stations. This recurring process is how the long-term projections for the plan are built and refined over time.

For the short-term projection, O&M considers first the projects that could not be accomplished in the previous fiscal years. Those capital projects are labeled "backlogged due to insufficient funds" and are added to the list of new projects included in the 50-year plan's long-term schedule.

The criteria table is the next step in ranking the capital projects. The criteria are as follows:

1. Engineering condition status
2. Probability of failure
3. Consequences of failure

These elements are evaluated by an engineering team and discussed with field functional-unit directors. Based on these elements and criteria, the projects are scored and ranked. The capital projects are prioritized according to this ranking and O&M adds as many projects to the District's CIP as funding will allow. The projects for which there is no funding become "backlogged" and are considered in the following fiscal year.

Since its inception in 1977, the Big Cypress Basin (BCB) has formulated a series of five-year plans to define and outline plans for achieving its broad range of water management objectives. Resource planning guidelines require that programs and schedules be reviewed periodically to assess progress, and determine whether plan additions and amendments need to be made. Beginning in 1985, a comprehensive construction program was undertaken to retrofit the water control structures in the Golden Gate Canal System, in an effort to reduce continual over-drainage and enhance flood control capabilities. Subsequently, the premise of the capital construction program was extended to other problem areas in the Basin. A comprehensive watershed management plan assesses the effectiveness of Basin facilities to meet emerging needs and formulates engineering plans for incorporation into the CIP.

The BCB's capital improvements plan is based on a 10-year strategic outlook and developed at the direction of the Basin Board. It is then discussed at public Basin Board meetings and approved by the Basin Board. The plan is updated every two years to address emerging issues for fulfilling the Basin's statutory missions. The BCB's current plan, developed for the FY2005-2014 period, reflects changing needs and priorities in the Basin which include the recurrent droughts and floods in southwest Florida.

District Everglades Program

Everglades Construction Project and Long-Term Plan

The projects included in the Everglades Construction Project (ECP) and their construction schedules are mandated by the Everglades Forever Act (EFA), which was passed by the Florida Legislature in 1994. The EFA also provided the funding sources for program implementation, including the 0.1000 mill ad valorem levy in the Okeechobee Basin, the agricultural privilege taxes levy in the Everglades Agricultural Area and the C-139 Basin, and other federal, state and local sources. The original project component estimates were based on the 1994 Conceptual Design Document and have been refined through the years. ECP program expenditures have been scheduled to comply with legislative timelines for land acquisition and construction, while keeping within the approved revenue stream.

In FY2003, the 1994 EFA was amended to include implementation of the Long-Term Plan as the strategy for achieving compliance with water quality standards in the Everglades protection area, and expanded the use of the District's dedicated 0.1000 mill ad valorem, agricultural privilege taxes and other revenue sources to fund this plan. Project timelines and cost estimates were established in the Conceptual Plan for Achieving Long-Term Water Quality Goals final report, dated March 17, 2003. They were further refined in the Long-Term Plan for Achieving Water Quality Goals final report, dated October 27, 2003. Each fiscal year's Long-Term Plan budget will be based on this document. Project Management Plans will be revised at various phases of each project, and project cost estimate changes or schedule alterations will follow a required formal review and approval process.

Kissimmee Restoration Program

Kissimmee River Restoration

The goals and objectives of this program were set forth in the Project Cooperation Agreement signed by the District and the USACE in 1994. The program has many features that must be accomplished in a sequence that maintains flood protection for adjacent interests. The program schedule was developed and agreed to by the staff of both the District and the USACE. After flood protection and mitigation features are completed, backfilling features are scheduled to commence. The District, as local sponsor, is responsible for land acquisition, while the USACE is responsible for backfilling construction work.

Mission Support Program

Facilities plan

A five-year facilities plan has been developed to schedule capital improvements throughout the headquarters campus and at various service centers. This plan is used to prioritize the most necessary elements to implement into the budget during the budget development process.

Land Stewardship and Lake Okeechobee Programs

Other capital projects are undertaken based on the availability of funds within individual program targets developed by the Budget Division, unless dedicated funding is provided for a specific project.

CIP Development Process

The CIP is updated during the annual budget development process. A sample of the form used to gather information on each capital project follows on the next page. This form is used as a tracking tool to provide in-depth information about the capital project and its funding needs. The form is completed for each capital project scheduled to begin within the five-year span, and is submitted to the Budget Division for technical review during the budget development process. Budget analysts review capital projects within their respective programs to ensure that the capital project meets the program objectives, the District's mission and is within the program's funding targets. The project is included in the CIP if it meets program goals and is expected to have funding available for capital construction and operating costs for current and future years. The CIP budget for the current fiscal year is approved by the Governing Board as part of the annual budget.

Please see the Budget Development Process in the Financial Overview section for more information about how the capital budget is developed.

Capital Project Description Form

PROGRAM: District Everglades**ACTIVITY:** Ba00**Project Title:** STA 3/4 Works and STA 3/4 Enhancements**Type:** Stormwater Treatment Area**Physical Location:** Palm Beach County

Square Footage/Physical Description: The effective treatment area of this project is approximately 16,600 acres. The major components of STA 3/4 are, but are not limited to, the following: Inflow Pump Station G-370 and G-372, gated spillways G-371 and G-373, STA 3/4 Works, West L-5 widening, supply canal, and U.S. Highway 27 bridge relocation. The purpose of the project is to enhance the treatment effectiveness of STA 3/4. The project includes construction of 3.3 miles of levee, 6 water control structures, one 24-cfs pump station, power and telemetry in STA 3/4, Cell 3. Construct one 54-cfs pump station in STA 3/4, Cell 1, and one 29-cfs pump station in STA 3/4, Cell 2. Herbicide treatment in STA 3/4, Cells 1B, 2B, and 3B for conversion to SAV is included.

Expected Completion Date: STA 3/4 and the enhancements will be completed by FY2007.

Historical Background/Need for Project: Florida's Everglades Forever Act (1994) outlined a comprehensive plan to restore a significant portion of the remaining Everglades ecosystem through land acquisition, construction, research and regulation. The goal is to improve water quality, water quantity (hydroperiod), and prevent the spread of exotic species. The overall restoration and cleanup effort described in the act is known as the Everglades Program.

Plan Linkage: Agency Strategic Plan goal, to complete the Everglades Construction Project.**Area(s) of Responsibility:** Natural Systems

Alternative(s): Based on the commitments to date from the many stakeholders in the Everglades Program, there is no acceptable alternative to complete the Everglades Construction Project.

1. **Basic Construction Costs:** \$19,807,990 (See Note 1)
2. **Other Project Costs:** \$0 (See Note 2)
3. **Anticipated Additional Operating Costs/Initial:** see FY2001 Form (See Note 3)
4. **Anticipated Additional Operating Costs/Continuing:** \$2,789,608 (See Note 4)

Project Phase Schedule (items #1 and #2 above):

FY2005	FY2006	FY2007	FY2008	FY2009
\$10,401,991	\$6,885,058	\$2,520,941	\$0	\$0

Schedule of Operating Costs (items #3 and #4 above):

\$2,789,608	\$2,873,264	\$3,251,261	\$3,349,148	\$3,448,786
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Note 1: Provides estimates for design, construction, construction management, permits, inspections, communication requirements, utilities, site development and any other basic construction cost.

Note 2: Provides estimates for land and land acquisition associated costs (surveys, existing facility acquisition, professional services, etc.), and any other costs not associated with basic construction.

Note 3: Provides amounts for anticipated increases (i.e., incremental costs) in personnel, equipment furniture and any other expenses during the first year of operation.

Note 4: Provides annual amounts for any anticipated additional operation and maintenance costs that would be incurred to support this facility/project after the first year of operation.

Capital Project Description Form Instructions

The following instructions are provided to guide users when completing the capital-project description form:

The purpose of the CIP is to project future needs and anticipate future funding requirements to meet those needs. The CIP should include only those projects that will be owned by the District and that the District will capitalize.

The CIP includes expenditures for basic construction costs (including construction, construction management contracts, permits, inspections, site development, etc.) and other project costs (land, surveys, existing facility acquisition, professional services, etc.). In addition, it includes operating costs that reflect anticipated changes in program costs (including salaries and benefits), changes in maintenance costs and changes in utility costs.

Project Descriptions

Program: Each District capital project is to be assigned to one of the following programs.

- LAND STEWARDSHIP
- DISTRICT EVERGLADES
- OPERATIONS AND MAINTENANCE
- WATER SUPPLY
- KISSIMMEE RESTORATION
- REGULATION
- LAKE OKEECHOBEE
- COASTAL WATERSHEDS
- MISSION SUPPORT
- CERP

Activity: Each capital project is to be assigned to one of the program activities. Please refer to the approved DLT program structure sheet.

Project Title: Provide the activity name or line item name as it appears in the Oracle Budget System.

Type: Describe the type of construction being performed.

Physical Location: Provide the street address or general location, including city and county.

Square Footage/Physical Description: Provide square footage, if applicable. If not, provide general description of the structure or project.

Expected Completion Date: Provide the expected completion date (month and year) for the entire project. Please note that this date must coincide with the financial schedule. For example, if a project is to be completed in June 2010, then the financial schedule below must show estimated dollars through the fiscal years up to FY2010.

Historical Background/Need for Project: Provide a brief explanation of the need for the project, with a brief background of the project.

Plan Linkage: Provide the plan linkages that correspond with your project.

Area(s) of Responsibility (AOR): Indicate which AOR the project supports:

- Water Supply
- Water Quality
- Flood Protection
- Natural Systems

Alternative(s): Describe the impact on the District if this project were to be moved back or canceled.

In summary, the District's overall capital budget reflects the attention that has been paid to the agency's long-range needs and strategic planning issues. These issues will be discussed throughout the year with the Budget and Finance Advisory Commission and the District will continue to develop standards and priorities for the long-range needs in capital budgeting.

Funding Sources for Capital Projects

The District's CIP is financed through many sources, ranging from District ad valorem to a variety of state and federal sources. The following list details the funding sources that support the CIP:

Taxes

Ad valorem taxes are imposed on the value of real and personal property as certified by the property appraiser in each of the 16 counties within the District's boundaries. It may be imposed on either of the two basins that make up the District (the Okeechobee Basin and the Big Cypress Basin), or it can be District-wide.

The Everglades Agriculture Privilege Tax is a tax levied on all agricultural production land in the Everglades Agricultural Area and the C-139 Basin, and is used to fund the Everglades Construction Project.

State Sources

The Lake Okeechobee Trust Fund contains money received from the Florida Department of Environmental Protection through state appropriation to help fund restoration projects to limit phosphorous inputs into Lake Okeechobee.

Florida Forever is a 10-year state bond program from which the state's five water management districts receive funding for environmentally sensitive and project-related land acquisition.

The Save Our Everglades Trust Fund contains money received from the state of Florida to fund CERP land acquisition, design and construction activities.

State Appropriations are set aside by the Florida legislature through the annual budget appropriation process for specific purposes.

Florida Fish and Wildlife Conservation Commission funds are received from the Florida Fish and Wildlife Conservation Commission for CERP.

Florida Department of Environmental Protection funds are received from the Florida Department of Environmental Protection for major projects in CERP.

The Water Management Lands Trust Fund is a Florida program that derives revenue from the statewide documentary stamp tax on real estate transactions for land acquisition and management.

Alligator Alley Toll Revenue comes from tolls generated on Alligator Alley (designated as State Highway 84 and federal Interstate Highway 75). The tolls are authorized by law to be used for environmental projects to restore the Everglades.

Federal Sources

U. S. Department of Agriculture – Natural Resources Conservation Service funds are received from the U. S. Department of Agriculture – Natural Resources Conservation Service (USDA – NRCS) for CERP.

Federal Emergency Management Agency revenues are received from the Federal Emergency Management Agency mainly for flood mitigation projects in the O&M Program.

Allapattah Easement revenues are from the sale of easements through enrollment in the Wetland Reserve Program, administered by the USDA – NRCS.

Other Financing Sources

Wetland Mitigation fees are collected from private businesses and other governmental agencies when they are issued wetlands mitigation permits. The fees pay for land acquisition and long-term management.

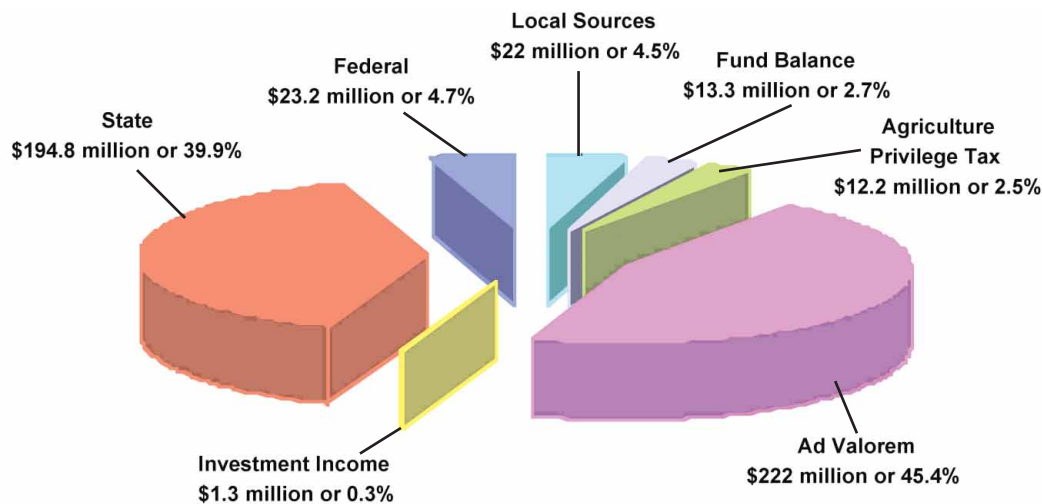
Lake Belt Mitigation fees are collected as mitigation for impacts resulting from rock mining in the Lake Belt area of Miami-Dade County. The fees pay for land acquisition and long-term management.

To the extent that it is necessary and practical, the District borrows funds for capital financing. Debt plans and targets are reviewed annually in conjunction with the CIP. The District anticipates issuing debt in the next three years to accelerate construction of several major capital projects in the CERP Program.

Please see the five-year Capital Improvements Plan spreadsheet at the end of this section for actual funding amounts for the sources above and the specific projects they support.

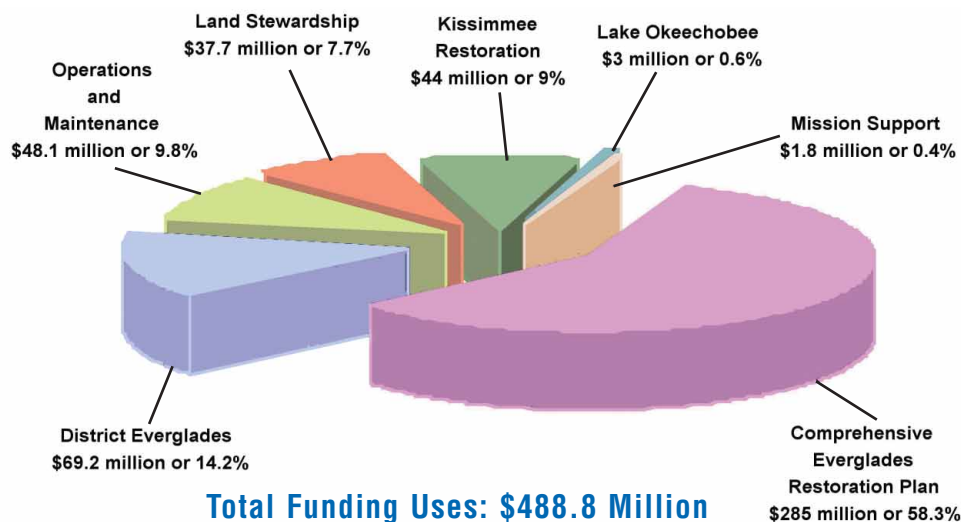
The charts below depict the District's adopted FY2005 funding sources and uses for capital projects. The estimated funding sources for FY2005 total \$488.8 million. These funds will be used for capital projects in seven District programs. Descriptions of some of the major projects within these programs are shown on the following pages.

FY2005 Funding Sources



Total Funding Sources: \$488.8 Million

FY2005 Funding Uses



Total Funding Uses: \$488.8 Million

Major Capital Projects by Program

CERP Program

The adopted FY2005 capital budget for the CERP Program totals \$285 million. The program is funded by ad valorem taxes (35.1 percent), state (53 percent), local (7.7 percent) and federal (4.2 percent) sources.

As shown in the CIP, the capital budget for the CERP Program is anticipated to decrease every year for the next five years. The construction and land acquisition expenses were projected to be \$1.1 billion, and the operations phase has an estimated cost of \$20.1 million over five years. In accordance with the agreement signed between the governor's office and the District, however, substantial capital requests are anticipated for the construction of the accelerated CERP projects. The District is in the process of updating its CERP CIP to reflect the acceleration of these projects. A brief description of the major capital projects for the CERP Program and a detailed explanation of the operating costs follow:



Construction at the CERP Ten Mile Creek project

Ten Mile Creek

St. Lucie County

This project includes an aboveground reservoir with a pump station and a gated water-level control structure that will provide seasonal or temporary storage of stormwater from the Ten Mile Creek basin. The intent of the project is to attenuate summer stormwater flows into the North Fork of the St. Lucie River Estuary. This will be accomplished by capturing and storing passing stormwater. The captured stormwater will then be passed through a polishing cell for additional water quality treatment before being released into the North Fork.

The FY2005 capital budget for Ten Mile Creek is comprised of \$1.3 million in construction costs. Projected five-year expenditures include \$10.3 million in construction costs and \$0.6 million in operating costs, for a total of \$10.9 million. It is expected that construction costs will initially increase in FY2006 and then gradually decrease in the following years. The scheduled completion date is FY2007.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Pump maintenance, electricity, gate maintenance, aquatic weed control and mowing	\$0	\$0	\$200,000	\$200,000	\$200,000

Tamiami Trail Culverts (West)

Collier County

The project involves construction of 62 culverts at 54 locations under Tamiami Trail, and 15 culverts at 8 sites under Loop Road. This project is necessary because existing bridges and water control structures are inadequate for transmitting surface water beneath the Tamiami Trail. The elevated roadbed of the Tamiami Trail is a physical barrier to the natural surface water sheetflow. The borrow canal immediately north of the Tamiami Trail intercepts this south-southwest flow and transfers it to an east-west flow direction until it exits south through bridges or water control structures. Due to this channelization of flow-ways, some wetland habitats receive too much fresh water, while others do not receive enough. Also, the seasonal hydropatterns (quantity, timing and distribution of surface water flows) are interrupted.

The FY2005 capital budget for the Tamiami Trail culverts is comprised of \$5.1 million in construction costs. Projected five-year expenditures include \$21.3 million in construction costs and \$0.6 million in operating costs, for a total of \$21.9 million. It is anticipated that construction costs will increase in FY2006. They are expected to gradually decrease in the following years. The scheduled completion date is FY2007.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Culvert/riser maintenance, aquatic weed control and mowing	\$0	\$0	\$200,000	\$200,000	\$200,000

Southern Corkscrew Regional Ecosystem Watershed/Imperial River Flowway

Lee County

This project involves acquisition of land and its restoration to a natural state. The project will reestablish a more natural flow pattern to 4,670 acres in Southern Corkscrew Regional Ecosystem Watershed (CREW), restore the Imperial River's natural flow-way to Estero Bay and reduce river nutrient loads. This environmentally critical area east of Bonita Springs has been significantly altered by construction of roads, house pads, agricultural berms and ditches. These alterations have resulted in restriction of historical sheetflow, unnatural water impoundments and flooding, increased pollutant loading to the Imperial River and Estero River, and disruption of natural wetland functions. Water that historically flowed southwest has been partially diverted to the east by roadbeds and single-family houses. This has resulted in decreased hydroperiods (excessive drainage) in wetlands to the west of the CREW and the Corkscrew Sanctuary, and increased hydroperiods in the CREW and Corkscrew Sanctuary.

The lands proposed for acquisition have been divided into five- and 10-acre tracts that are being developed into single-family home sites. The area has a history of flooding problems that have required the evacuation of residents from the area. If the land continues to be developed, additional roads, house pads, septic tanks and drain fields will increase the blockage of the surface water flow, and contribute additional water quality degradation in the environmentally sensitive area around the Imperial River and its headwaters.

The FY2005 capital budget for Southern CREW/Imperial River Flowway is comprised of \$2.1 million in construction costs. The projected cost for five years is \$2.1 million, of which \$2 million is for construction in this budget year, and \$0.1 million is for operating costs. It is anticipated that project construction will be completed in FY2005. The land was purchased in prior years.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Aquatic and exotic weed control	\$0	\$20,000	\$20,000	\$20,000	\$20,000

Lake Trafford Restoration

Collier County

The project will involve removal of approximately seven-million cubic yards of unconsolidated organic material from the lakebed, and acquisition of 625 acres of land for disposal of the dredged material. Lake Trafford is the largest lake south of Lake Okeechobee and is located roughly three miles west of Immokalee. The lake is the headwaters of the Corkscrew Swamp Sanctuary and CREW to the west-southwest and the Fakahatchee Strand system, including Camp Keis Strand and the Florida Panther National Wildlife Refuge to the south. Approximately seven-million cubic yards of unconsolidated muck on the bottom of the lake were created in the 1970s after herbiciding a hydrilla bloom. During storm events, the sediments are disturbed, which causes an increase in suspended solids and dissolved nutrients. Loss of water clarity and unconsolidated sediments has resulted in a decimated fishery, and loss of an important eco-tourism resource in southwest Florida.



Lake Trafford

The FY2005 capital budget for Lake Trafford restoration is comprised of \$7.9 million in construction costs. Projected five-year expenditures include \$28 million in construction costs and \$0.4 million in operating costs, for a total of \$28 million. In FY2006 and FY2007, it is anticipated that the construction costs will increase to \$10 million per year and then decrease in the following years. The scheduled completion date is FY2008.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Aquatic and exotic weed control	\$0	\$0	\$0	\$20,000	\$20,000

C-43 Basin Storage Reservoir – Part 1

Hendry, Glades and Lee Counties

This project includes an above-ground reservoir located in the C-43 Basin, with a total storage capacity of approximately 160,000 acre-feet. The initial reservoir design assumed 20,000 acres, with water levels fluctuating up to eight feet above grade. The purpose of this project is to capture basin run-off and releases from Lake Okeechobee. The reservoir will be designed for flood attenuation, to provide environmental water supply deliveries to the Caloosahatchee Estuary, and to reduce salinity and nutrient impacts of run-off to the estuary.



Caloosahatchee River

The FY2005 capital budget for C-43 Basin Storage Reservoir – Part 1 is comprised of \$2.3 million in construction costs. Projected five-year expenditures include \$6.3 million in construction costs and \$61.9 million land purchase costs, for a total of \$68.2 million. It is expected that the majority of the land will be purchased in FY2006, resulting in the need for an increase in funding of \$42.2 million. The remaining land is scheduled for purchase in FY2007. There are no anticipated operating costs for part 1 of this project. The scheduled completion date for part 1 is FY2007.

Indian River Lagoon – South

Martin and St. Lucie Counties

The Final Project Implementation Report for the Indian River Lagoon – South project recommends a plan for Martin, St. Lucie and Okeechobee Counties that will improve water quality within the St. Lucie Estuary (SLE) and the Indian River Lagoon (IRL) by reducing the damaging effects of watershed run-off; reducing high-peak freshwater discharges to control salinity levels; and reducing nutrient loads, pesticides and other pollutants. The project will also provide water supply for agriculture to offset reliance on the Floridan Aquifer.

This project includes three separable elements. The C-44 Basin Storage Reservoir includes an aboveground reservoir with a total storage capacity of approximately 40,000 acre-feet, and is located in the C-44 Basin. The C-23 and C-24 Storage Reservoirs include aboveground reservoirs with a total storage capacity of approximately 115,200 acre-feet, and are located in the C-23 and C-24 Basins. The C-25, North Fork and South Fork Storage Reservoirs include aboveground reservoirs with a total storage capacity of approximately 234,000 acre-feet, and are located in the C-25, North Fork and South Fork Basins. The Indian River Lagoon – South is the most bio-diverse estuarine system in all of North America.

The FY2005 capital budget for Indian River Lagoon – South is comprised of \$4.7 million in construction costs and \$52.4 million in land purchase costs, for a total of \$57.1 million. Projected five-year expenditures include \$17.7 million in construction costs and \$164.7 million in land purchase costs, for a total of \$182.4 million. It is anticipated that the majority of the land will be purchased in FY2005 and the project cost will decrease in the following four years. There are no anticipated operating costs for this project. The scheduled completion date is FY2009.

Everglades Agricultural Area Storage Reservoirs – Phase 1

Palm Beach County

This project includes two aboveground reservoirs with a total storage capacity of approximately 240,000 acre-feet, located on land in the Everglades Agricultural Area (EAA). Conveyance capacity increases for the Miami, North New River, Bolles and Cross Canals are included in the design of this project. This project will improve timing of environmental deliveries to the Water Conservation Areas (WCA) by reducing damaging flood releases from the EAA to the WCAs, reducing Lake Okeechobee regulatory releases to estuaries, meeting supplemental agricultural irrigation demands and increasing flood protection within the EAA.

The FY2005 capital budget for EAA Storage Reservoirs – Phase 1 is comprised of \$1.6 million in construction costs and \$39.1 million in land purchase costs, for a total of \$40.7 million. In FY2005, it is anticipated that all of the land will be purchased for phase 1 and the construction will be completed. Phase 2 will begin as a separate project in FY2006. There are no anticipated operating costs for this project. The scheduled completion date for phase 1 is FY2005.

North Palm Beach County

Palm Beach County

The North Palm Beach County - Part 1 Project will increase water supplies to the Grassy Waters Preserve and Loxahatchee Slough, provide flows to enhance hydroperiods in the Loxahatchee Slough, increase base flows to the Northwest Fork of the Loxahatchee River and reduce high discharges to the Lake Worth Lagoon.

This project includes a number of separable elements. The Pal-Mar and J.W. Corbett Wildlife Management Area Hydropattern Restoration elements include water control structures, canal modifications and the acquisition of 3,000 acres. The C-51 and Southern L-8 Reservoir includes a combination aboveground and in-ground reservoir, with a total storage capacity of 48,000 acre-feet. Lake Worth Lagoon Restoration includes sediment removal and trapping within the C-51 Canal, and sediment removal or trapping downstream of the C-51 Canal and the Lake Worth Lagoon confluence. C-17 backpumping and treatment includes backpumping facilities and a Stormwater Treatment Area (STA) with a total storage capacity of approximately 2,200 acre-feet. C-51 backpumping and treatment includes backpumping facilities and an STA, with a total storage capacity of approximately 2,400 acre-feet.

The FY2005 capital budget for North Palm Beach County – Part 1 is comprised of \$1.6 million in construction costs and \$54.3 million in land purchase costs, for a total of \$55.9 million. Projected five-year expenditures include \$3.6 million in construction costs and \$154.4 million in land purchase costs, for a total of \$158 million. It is expected that the majority of the land will be purchased in FY2005. Land acquisition will decrease in the following four years, along with construction costs. There are no anticipated operating costs for this project. The scheduled completion date is FY2008.

Biscayne Bay Coastal Wetlands

Miami-Dade County

The objective of this project is to restore overland flow, reduce groundwater seepage and reduce freshwater discharges. It will also restore or enhance freshwater wetlands, tidal wetlands and near-shore bay habitats; and create conditions that will facilitate re-establishment of oyster and oyster reef communities.

Through a spreader system, this project will replace lost overland flow and partially compensate for the reduction in groundwater seepage by redistributing available surface water entering from regional canals. Further detailed analyses will be required to define target freshwater flows for Biscayne Bay and the wetlands within the redistribution system. These targets will be based on the quality, quantity, timing and distribution of flows needed to provide sustainable biological communities in Biscayne Bay, Biscayne National Park and the coastal wetlands.



Biscayne Bay

The Biscayne Bay Coastal Wetlands project incorporates the L-31 East Flow Redistribution Critical Project. The CERP's ability to provide hydrologic benefits to the southern Everglades is supported in large part by the Biscayne Bay Coastal Wetlands Project, which replaces freshwater inputs to the Biscayne Bay Estuary that may be reduced by other program components.

The project has five sub-components: Deering Estate Flowway, Cutler Wetlands, L-31 East Flowway, North Canal Flowway and Barnes Sound Wetlands. This project includes pump stations, spreader swales, STAs, flow-ways, levees, culverts and backfilling canals located in southeast Miami-Dade County. The project area covers 44,000 acres, from the Deering Estate at C-100C, south to the Florida Power and Light Turkey Point power plant, generally along L-31E.

The FY2005 capital budget for the Biscayne Bay Coastal Wetlands is comprised of \$0.6 million in construction costs and \$1 million in land purchase costs, for a total of \$1.6 million. Projected five-year expenditures include \$2.7 million in construction costs and \$89 million in land purchase costs, for a total of \$91.7 million. In FY2006, it is anticipated the project cost will increase by \$33.8 million over the FY2005 CIP budget. The majority of the costs will be for land. There are no anticipated operating costs for this project during the five-year CIP reporting period. The scheduled completion date is FY2017.

Southern Golden Gate Estates Hydrologic Restoration

Collier County

The objective of the Southern Golden Gate Estates Hydrologic Restoration project is to reestablish historic flow-ways, sheetflow and hydroperiods of wetlands; reduce point discharges to improve the health and productivity of downstream estuaries; improve aquifer recharge for water supply and prevention of saltwater intrusion; and maintain flood protection in areas north of the project. The primary components of the restoration plan are land acquisition, construction of pumping stations, canal plugs, spreader channels and removal of roads. An ecological and hydrological monitoring program will be initiated to determine the project's effectiveness, and adaptive management practices will ensure desirable ecological responses.

The FY2005 capital budget for Southern Golden Gate Estates hydrologic restoration is comprised of \$12.9 million in construction costs. Projected five-year expenditures include \$12.9 million in construction costs and \$8.4 million in operating costs, for a total of \$21.3 million. The scheduled completion date is FY2005.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Pump maintenance, electricity, fuel, canal maintenance, aquatic weed and exotic control	\$0	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000

Broward County Water Preservation Area

Broward County

This project is comprised of three components: The C-11 Impoundment, C-9 Impoundment and Water Conservation Area (WCA) 3A/3B Levee seepage management. The impoundment areas will aid in reducing seepage from the WCA 3A/3B seepage management area, provide groundwater recharge, provide adequate water supply to urban areas and prevent saltwater intrusion. The WCA 3A/3B Levee seepage management system will focus on seepage reduction by allowing higher water levels in the L-33 and L-37 borrows. The purpose of the C-11 Impoundment is to direct run-off from the western C-11 drainage basin into the impoundment, in lieu of pumping the untreated run-off via S-9 pump station into the WCA 3A. The purpose of C-9 Impoundment is to pump run-off from the western C-9 drainage basin and diverted water from the western C-11 basin into the impoundment to reduce seepage from the WCA 3A/3B Levee.

The FY2005 capital budget for the Broward County WCA is comprised of \$1.4 million in construction costs. Projected five-year expenditures include \$4.4 million in construction costs and \$2 million in operating costs, for a total of \$6.4 million. It is expected that the construction costs will gradually decrease over the subsequent four years. The scheduled completion date is FY2010.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Pump maintenance, electricity, fuel, gate maintenance, aquatic weed control and mowing	\$0	\$500,000	\$500,000	\$500,000	\$500,000

C-111 Project Implementation

Miami-Dade County

This project and the Modified Water Deliveries (MWD) to the Everglades National Park (ENP) project are precursors to the Comprehensive Everglades Restoration Plan. Completion of the MWD to the ENP and C-111 Canal project require development of the Combined Operation and Structural Plan (CSOP) for these projects. Construction of the detention and buffer system includes up to three pump stations (S-332A, S-332B and S-332C). This project also includes land acquisition in Rocky Glades, Southern Glades and the frog pond (completed).

The FY2005 capital budget for C-111 project implementation is comprised of \$1.1 million in construction costs and \$8.4 million in land purchase costs, for a total of \$9.5 million. There are no anticipated operating costs for this project. The scheduled completion date is FY2005.



C-111 Canal

District Everglades Program

The adopted FY2005 capital budget for the District Everglades program totals \$69.2 million. The program is funded by ad valorem taxes (72.4 percent), agriculture privilege taxes (17.6 percent), investment income (2 percent), federal (.3 percent) and state (2.5 percent) sources, and prior-year fund balances (5.2 percent).

The five-year CIP for the District Everglades program is anticipated to increase every year. This is due to the increase in the long-term plan costs and future EFA project components. As the construction of certain project elements are completed, other components are scheduled to begin. The construction and land costs for the program are projected to be \$314.6 million, while the initial and continuing operating costs for the five years are estimated at \$57.9 million. Most of the funding sources are dedicated to the program and the continuing operation of the projects within the program. As construction comes to completion, these dedicated sources will fund the operating costs for each project. A brief description of the major capital projects for the District Everglades Program and a detailed explanation of the operating costs follow:

STA 1 East/C-51 West and STA 1 East Enhancements

Palm Beach County

The U.S. Army Corps of Engineers (USACE) is responsible for the design and construction of STA 1 East (STA 1E). STA 1E will consist of a constructed wetland that will provide an effective treatment area of approximately 5,350 acres. This project will operate in parallel with STA 1 West (STA 1W) to reduce the total phosphorus run-off from both the C-51 West and S-5A basins prior to their discharge into WCA-1, which is also known as the Loxahatchee National Wildlife Refuge. Major project components include, but are not limited to, construction of the following: STA 1E Works, inflow Pump Station S-319, outflow Pump Station S-362, seepage/inflow Pump Station S-361, Canal C-51 West enlargement and gated structure S-155A. The purpose of this project is to enhance the treatment effectiveness of STA 1W. The project includes construction of 2.2 miles of levee, 11 water control structures, one 65-cfs pump station, power and telemetry in STA 1W, Cells 1 and 2. Herbicide control in STA 1W, Cells 1, 2, and 3 for conversion to Submerged Aquatic Vegetation (SAV) is included.

The FY2005 capital budget for STA 1E/C-51 West and STA 1E enhancements is comprised of \$2.3 million in construction costs and \$2.5 million in operating costs, for a total of \$4.8 million. STA projects are built in phases and some components become operational while others are still under construction. Projected five-year expenditures include \$2.4 million in construction costs and \$13.2 million in operating costs, for a total of \$15.6 million. It is projected that the operating costs for the five-year period will gradually increase due to scheduled required maintenance. The scheduled completion date is FY2006.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Fuel; lube; filters; gaskets; minor and major overhauls; structure, levee and interior maintenance	\$2,474,785	\$2,567,248	\$2,644,176	\$2,724,180	\$2,805,605

STA 1 West Works/I&D Works (G-311 Water Control Structure) and STA 1 West Enhancements

Palm Beach County

STA 1W is a critical component of the Everglades Construction Project. STA 1W consists of almost 7,000 acres (over 10 square miles) of prior agricultural fields that have been converted to wetland treatment systems that are designed to reduce



STA 1 West

phosphorus loads entering the Everglades. Located in Western Palm Beach County, STA 1W serves the area tributary to Pump Station S-5A and WCA-1. The construction consists of approximately 6,670 acres of wetlands, 14 miles of levees, three concrete spillways, culverts, related ancillary facilities and Pump Station G-310. The Pump Station G-310 was constructed to allow the treatment of additional stormwater flows. STA 1W includes the current Everglades Nutrient Removal (ENR) Project, which is a demonstration project of wetland treatment technology. Over the last six years, the ENR has removed over 80 metric tons of phosphorus from waters entering the Everglades. STA 1 Inflow and Distribution Works are located in Western Palm Beach County, in the northern tip of the WCA-1. This project redirects the discharge from S-5A Pump Station via the L-40 and L-7 Borrow Canals to STA 1W and STA 1E. The project scope includes the construction of three water control structures (G-300, G-301, G-302), future water control structure

G-311 and associated bypass canals, a separation levee extending from L-7 to L-40, and an inflow canal and perimeter levee leading to the STA 1W project.

The FY2005 capital budget for STA 1W works/I&D works (G-311 Water Control Structure) and STA 1W enhancements is comprised of \$3.9 million in construction costs and \$2.6 million in operating costs, for a total of \$6.5 million. STA projects are built in phases and some components become operational while others are still under construction. Projected five-year expenditures include \$8.4 million in construction costs and \$11.8 million in operating costs, for a total of \$20.2 million. The operating costs are higher than the construction costs because the major portion of the construction will be completed in FY2006, with only minor enhancements scheduled for future years.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Fuel; lube; filters; gaskets; minor and major overhauls; structure, levee and interior maintenance	\$2,632,750	\$2,944,689	\$2,010,780	\$2,071,620	\$2,133,540

STA 2 Works and Enhancements

Palm Beach County

This project provides a total effective treatment area of 6,430 acres and serves the tributary to Pump Station S-5A and S-6. Construction includes approximately 28 miles of levees constructed in the inflow, interior and discharge works, supply canal, water control structures, S-6 diversion improvements, outflow Pump Station G-335, and seepage-return Pump Station G-337A remote-controlled structures. This STA will filter and discharge waters to Water Conservation Area 2A (WCA-2A). Sixteen remotely controlled structures will reduce operation and maintenance expenditures and allow additional flexibility to achieve balanced flows into the treatment cells. The purpose of this project is to enhance treatment effectiveness of STA 2. This project includes construction of 3.3 miles of levee, 12 water control structures, one 14-cfs pump station, power and telemetry in STA 2, Cells 1, 2, and 3. Herbicide treatment of 1A, 2A and 3A/B for conversion to SAV is included.

The FY2005 capital budget for STA 2 works and enhancements is comprised of \$2.8 million in construction costs for enhancements and \$1.7 million in operating costs, for a total of \$4.5 million. Projected five-year expenditures include \$7.4 million for enhancements and \$10.1 million in operating costs, for a total of \$17.5 million. The operating costs are higher than the construction costs for the enhancements because the project was substantially completed prior to FY2005.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Fuel; lube; filters; gaskets; minor and major overhauls; structure, levee and interior maintenance	\$1,684,960	\$1,957,703	\$2,100,148	\$2,163,692	\$2,228,364

STA 3/4 Works and Enhancements

Palm Beach County

This effective treatment area of this project is approximately 16,600 acres. The major components of STA 3/4 are, but are not limited to, the following: Inflow Pump Station G-370 and G-372, gated spillways G-371 and G-373, STA 3/4 Works, West L-5 widening, supply canal, and U.S. Highway 27 bridge relocation. The purpose of the project is to enhance the treatment effectiveness of STA 3/4. The project includes construction of 3.3 miles of levee, six water control structures, one 24-cfs pump station, power and telemetry in Cell 3. Construction of one 54-cfs pump station in Cell 1, and one 29-cfs pump station in Cell 2, herbicide treatment in Cells 1B, 2B, and 3B for conversion to SAV is included.



G-370 Pump Station

The FY2005 capital budget for STA 3/4 works and enhancements is comprised of \$10.4 million in construction costs and \$2.8 million in operating costs, for a total of \$13.2 million. STA projects are built in phases and some components become operational while others are still under construction. Projected five-year expenditures include \$19.8 million for enhancements and \$15.7 million in operating costs, for a total of \$35.5 million. This project is scheduled for completion by FY2007.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Fuel; lube; filters; gaskets; minor and major overhauls; structure, levee and interior maintenance	\$2,789,608	\$2,873,264	\$3,251,261	\$3,349,148	\$3,448,786

STA 5 Works

Hendry County

The effective treatment area of this project is approximately 4,118 acres. Major components of this STA include, but are not limited to, construction of eight gravity control structures to convey flows into and out of STA 5 treatment cells, 18 miles of canal and levee construction, eight intermediate concrete culverts with fixed wiers, modifications to the existing L-3 Levee, seepage return pump station, two water supply pump stations and construction of a discharge canal. This STA consists of two parallel treatment cells with flow direction from west to east. The purpose of this project is to enhance the treatment effectiveness of STA 5. The project includes construction of eight new adjustable crest weir gates on the G-343 structures, two 45-cfs seepage-return pump stations, power and telemetry.

The FY2005 capital budget for STA 5 works and enhancements is comprised of \$2.4 million in construction costs and \$0.5 million in operating costs, for a total of \$2.9 million. STA projects are built in phases and some components become operational while others are still under construction. Projected five-year expenditures include \$5.6 million in construction costs and \$3.3 million in operating costs, for a total of \$8.9 million. This project is scheduled for completion by FY2006.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Fuel; lube; filters; gaskets; minor and major overhauls; structure, levee and interior maintenance	\$486,486	\$555,315	\$717,178	\$738,878	\$760,963

STA 6, Section 2 and STA 6 Enhancements

Hendry County

The effective treatment area of this project is approximately 1,410 acres. The improvements consist primarily of new inflow, outflow, exterior and perimeter levees, inflow structures and outflow structures, new access bridges and a seepage return pump. The purpose of this project is to enhance the treatment effectiveness of STA 6. The project includes construction of 0.8 miles of levee in Cell 5, three water control structures, one 30-cfs pump station, power and telemetry. Herbicide treatment of Cells 4 and 5B for conversion to SAV is also included.

The FY2005 capital budget for STA 6, Section 2 and STA 6 enhancements is comprised of \$4.4 million in construction costs and \$0.1 million in operating costs, for a total of \$4.5 million. STA projects are built in phases and some components become operational while others are still under construction. Projected five-year expenditures include \$11.4 million in construction costs and \$2.2 million in operating costs, for a total of \$13.6 million. This project is scheduled for completion by FY2007.



STA 6

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Fuel; lube; filters; gaskets; minor and major overhauls; structure, levee and interior maintenance	\$73,710	\$412,148	\$558,550	\$575,450	\$592,650

Operations and Maintenance Program

The adopted FY2005 capital budget for the Operations and Maintenance (O&M) program totals \$48.1 million. The program is funded by ad valorem taxes (78.5 percent) and federal sources (21.5 percent).

The five-year budget for the O&M Program is projected to decrease in FY2006, and then increase in the following three years. This is due to various project completions in FY2006 and an increase in dredging and bank stabilization projects in FY2007 through FY2009. Additional operating costs are not expected due to the nature of these projects. The projected construction and land costs for the program are \$284 million and the initial and continuing operating costs for the five years are estimated at \$0.4 million. Most of the funding sources for this program are from ad valorem taxes. The Governing Board established in its strategic priorities that the O&M Program should focus on regional flood-control-system refurbishment, and ad valorem funding has been dedicated to the O&M Program to attain this goal. As construction ends, it is expected that ad valorem taxes will fund operating costs for each of the projects.

A brief description of the major capital projects for the O&M Program and a detailed explanation of the operating costs follow:

Camp Keais Strand Flowway Restoration

Collier County

The effective treatment area of this project is approximately 70 square miles. The project consists of exotic vegetation removal and enhancement of conveyance capacities of culvert crossings. The Camp Keais Strand is a large natural slough. It conveys water from south of Lake Trafford to the Florida Panther National Wildlife Refuge and the downstream ecosystem of the Southern Golden Gate Estates (SGGE) and Fakahatchee Strand. The historic flow pattern has been adversely impacted as agricultural developments and road construction encroached the flow-way. In addition to adversely affecting the ecosystem by such disruption of flow, the flood conveyance capacity of the flow-way has also been drastically reduced. The recurrent flooding of South Lee County and northern Collier County can partially be attributed to disruption of this flow-way. Restoration of the flow-way is considered an important element of the Big Cypress Basin Watershed Management Plan and the South Lee County Watershed Management Plan. A detailed topographic survey of the project area was procured in FY2002. The flow-way improvements will consist of removal of exotic vegetation, grading of abandoned farm roads and enhancements of the conveyance capacities of several culvert crossings.

The FY2005 capital budget for Camp Keais Strand Flowway restoration is comprised of \$1 million in construction costs. Projected five-year expenditures include \$1.1 million in construction and \$21,000 in operating costs. The scheduled completion date is FY2006.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Exotic and aquatic vegetation control, and culvert/riser maintenance	\$0	\$0	\$7,000	\$7,000	\$7,000

C-4 Phase 3 Dredging/S-25 Downstream Conveyance

Miami-Dade County

The primary objective of the C-4 Canal Conveyance Improvement project is to provide the maximum conveyance improvement possible to the C-4 Basin service area. The project scope is limited to the available Federal Emergency Management Agency (FEMA) hazard mitigation dollars, so the conveyance improvement will enhance the sections of the canal that will provide the maximum flood control benefits to the area. The District is planning to improve selected canal sections of the C-4 canal as determined by the C-4 Hydraulic Analysis. The selected areas include the C-4 Canal, from structure S-25B to the Miami River, and the C-4 Canal, just east of the Palmetto Expressway to Lake Maul. In response to the October 2, 2000 flood event, the Executive Director of the District appointed a Recovery Task Force to develop a list of proposed flood mitigation projects for the impacted areas of Miami-Dade County. One such project recommended was the C-4 Canal Conveyance Improvement, a project that could be developed and implemented in a relatively short time frame and will produce significant benefits in flood mitigation. This project will be funded with FEMA Hazard Mitigation Grant funds.



C4 Basin G-420 Inflow Structure

The FY2005 capital budget for C-4 Phase 3 dredging/S-25 downstream conveyance is comprised of \$5.2 million in construction costs. There are no anticipated operating costs for this project. The scheduled completion date is FY2005.

S-27 Forward Pump Station

Miami-Dade County

The cities of Hialeah, Miami Shores and El Portal are subject to flooding following periods of above average rainfall. The C-7 canal that drains the area is unable to convey the excess water thus resulting in flooding. The construction of up to a 600-cfs pump station near the S-27 water control structure would allow for forward pumping under high tide conditions and increase the discharge capacity of S-27 under low tide conditions. The proposed improvement will reduce the incidence of high water level following rains.

The FY2005 capital budget for the S-27 Forward Pump Station is comprised of \$3 million in construction costs. Projected five-year expenditures include \$3.1 million in construction and \$0.1 million in operating costs. The scheduled completion date is FY2005.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Pump maintenance, electricity, and fuel	\$0	\$20,000	\$20,000	\$20,000	\$20,000

Sweetwater Berm, Phases III and IV

Miami-Dade County

The work covered by this project includes raising the north top of bank elevation of the C-4 Canal between NW 107th Ave and N.W. 92nd Ave. In response to the October 2-4, 2000 flood event, the District Executive Director appointed a Recovery Task Force to develop a list of proposed flood mitigation projects for the impacted areas of Miami-Dade County. One such project recommended was the Sweetwater Berm, a project that could be developed and implemented in a relatively short timeframe, and would produce significant benefits in flood mitigation. This project will be funded with FEMA Hazard Mitigation Grant funds.

The FY2005 capital budget for Sweetwater Berm, Phases III and IV is comprised of \$2.2 million in construction costs. Operating costs are projected to be \$60,000 over the next five years. The scheduled completion date is FY2005.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Pump maintenance, electricity and fuel	\$0	\$15,000	\$15,000	\$15,000	\$15,000

S-5A Horizontal Pump Refurbishment

Palm Beach County

The S-5A Pump Station consists of reinforced concrete and concrete block masonry superstructure with six 116-inch diameter horizontal pumps, each rated for 800-cfs. Each pump unit is driven by a 1600-horsepower, 10-cylinder-opposed piston diesel engine. Pump Station S-5A is the last horizontal pump station operated and maintained by the District that hasn't been through a bearing upgrade. It is necessary to replace the current bearings with spherical roller bearings. Replacement bearings would have to be custom cast by a foundry on an individual basis. The goal is the conversion of the main pump bearings from 80-10-10 bronze sleeve type to spherical roller bearings. Redesigned single-piece shafts and new gear reducers are also to be provided.

The FY2005 capital budget for S-5A Horizontal Pump refurbishment is comprised of \$3 million in replacement costs. Five-year expenditures are projected to be \$10.1 million for replacement, with a gradual increase in FY2006 and FY2007. There are no anticipated additional operating costs for this project. The scheduled completion date is FY2007. Refurbishment of this pump will generate costs savings through reductions in fuel consumption and maintenance costs. The savings are estimated to be about \$200,000 in FY2008, and are expected to be used for operation and maintenance of other structure components in the Central and Southern Florida Flood Control Project.

Automation/Telemetry

District-wide

These facilities are gated culvert structures that contain from two to six 72-inch diameter culverts. The gates are manually controlled. Monitoring and automation are required for environmental compliance and efficient water operations. The project will require new power to the site, electric operators with relays and remote access controls, MOSCAD with appropriate software, new building-to-house controls, emergency generator and antenna.

The FY2005 capital budget for the Automation/Telemetry project is comprised of \$3.9 million in construction costs. The projected five-year expenditures are \$8.2 million for construction, with a decrease in FY2006. The anticipated operating costs for this project will be offset by the savings realized by automating the structures and reducing personnel visits to the sites. The scheduled completion date is FY2008.



Telemetry towers

Pump Station Waterproofing/Hardening

District-wide

These structures are pumping stations with three to six pump bays and backflow capabilities. They consist of reinforced concrete and concrete block masonry with horizontal or vertical pumps. Water pumping capability varies from 250- to 4800-cfs. This is needed to storm-proof the pump stations. Currently, wind and rain blows through the expansion joints, endangering the equipment and personnel. The project consists of replacing all windows with EXTECH Dade County-approved hurricane resistant windows. All louvers, fans, exterior doors and expansion joints will be replaced to meet current hurricane codes. A new roof will be provided. All concrete block walls will be protected from puncture.

The FY2005 capital budget for pump station waterproofing/hardening is comprised of \$3.3 million in replacement costs. This amount decreases in FY2006 to \$0.5 million. Five-year expenditures are projected to be \$6.5 million. There are no expected operating costs. The scheduled completion date is FY2008.

Trash Rakes

District-wide

Trash rakes attach to canal gates and facilitate the removal of debris out of canals. The existing trash rakes are antiquated and not automated, which can lead to excessive vegetation buildup that adversely affects flood protection operations.

The FY2005 capital budget for the Trash Rakes project is comprised of \$2.3 million in replacement costs. Five-year expenditures are projected to be \$17.1 million for replacement, with increases in FY2006 and FY2007. There are no expected operating costs for this project. The scheduled completion date is FY2009.



Trash rakes

Land Stewardship Program

The adopted FY2005 capital budget for the Land Stewardship Program totals \$37.7 million. The program is funded by ad valorem taxes (53.6 percent), state (18.6 percent) and federal (1.8 percent) sources, and fund balance (26 percent).

The five-year capital budget for the Land Stewardship program is anticipated to decrease every year. This is due to a gradual decrease in the purchase of land, the cost of which was projected to be \$81.1 million. Operating activities over five years are estimated to cost \$5.6 million.

A brief description of the major capital projects for the Land Stewardship Program and a detailed explanation of the operating costs follow:

Lee Property Land

Martin County

This is land acquisition for the CERP North Palm Beach – Part 1 project. (See North Palm Beach – Part 1 under CERP in this section.)

The FY2005 capital budget for Lee Property land acquisition in Martin County is comprised of \$20 million in land acquisition costs. Five-year expenditures are projected to be \$44.7 million for land acquisition, with a gradual decrease in FY2006 and FY2007. There are no anticipated operating costs for this project. The scheduled completion date is FY2008.

Pal Mar Land

Martin County

Per the Memorandum of Understanding, there is a 75 percent District/25 percent Martin County split of the purchase price for land in Martin County for environmental restoration.

The FY2005 capital budget for Pal Mar land acquisition is comprised of \$3 million in land acquisition costs. There are no anticipated operating costs for this project. The scheduled completion date is FY2005.

Lake Belt Land

Miami-Dade County

Florida Statute (F.S.) 373.4149 allows funds generated from mitigation for impacts to wetlands associated with mining activities to pay for the acquisition, restoration and management of lands in Miami-Dade County.

The FY2005 capital budget for Lake Belt land is comprised of \$3.4 million in land acquisition and associated costs, and \$0.5 million in operating costs, totaling \$3.9 million. The five-year projected costs include \$20 million for land acquisition and associated costs, and \$2 million for operating costs, for a total of \$22 million. It is expected that the land acquisition and associated costs will gradually increase in the following years with no significant change in operating costs. Some land was acquired in prior years. This is an ongoing project that will continue past FY2009.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Exotic and aquatic vegetation control	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000

Pennsuco Land

Miami-Dade County

Many applicants for permits that impact wetlands propose to contribute funds to the District in lieu of performing mitigation themselves or purchasing credits from a mitigation bank. The District is authorized to accept cash contributions for a Governing Board-endorsed mitigation project that has necessary permits under F.S. 373.414, Part IV. As part of the adoption of the District's Save Our Rivers Plan, the Governing Board approved use of five projects for regional mitigation activities. Three of these approved projects are currently being used as expenditure sites for mitigation funding, including CREW in Lee and Collier Counties.

The FY2005 capital budget for Pennsuco land is comprised of \$2 million in land acquisition and associated costs, and \$0.5 million in operating costs, for a total of \$2.5 million. The five-year projected costs include \$4.5 million for land acquisition and associated costs, and \$2 million in operating costs, for a total of \$6.5 million. It is expected that the land acquisition and associated costs will gradually decrease in the following years with no significant change in operating costs. The scheduled completion date is FY2008.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Exotic and aquatic vegetation control	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000

Shingle Creek, Phases II and III

Orange and Osceola Counties

The Central Florida Beltway Mitigation legislation (F.S. 338.250) directs funding and provides guidelines for the acquisition, restoration and enhancement of environmentally sensitive lands within the District. Specifically, the plan addresses adverse environmental impacts from the proposed construction of the Western Beltway, S.R. 429, Part C, in Orange and Osceola Counties. Implementation of mitigation options to acquire, restore and manage lands will ensure that environmentally sensitive lands will remain healthy and protected for generations, and provide the citizens of Florida the best mitigation available.



Shingle Creek

The FY2005 capital budget for Shingle Creek, Phases II and III is comprised of \$6.1 million in land acquisition and associated costs, and \$0.1 million in operating costs, totaling \$6.2 million. The five-year projected expenditures include \$6.6 million in land acquisition and associated costs, and \$0.3 million in operating costs, for a total of \$6.9 million. It is expected that the land acquisition and associated costs would decrease by \$5.6 million in FY2006. The scheduled completion date is FY2006.

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Exotic and aquatic vegetation control	\$100,000	\$100,000	\$50,000	\$40,000	\$35,000

Kissimmee Restoration Program

The adopted FY2005 capital budget for the Kissimmee Restoration Program totals \$44 million. The program is funded by state sources (75.5 percent) and ad valorem taxes (24.5 percent).

The five-year capital budget for the Kissimmee Restoration program is projected to decrease every year. This is due to the completion of land purchases for the Kissimmee River Restoration project by December 2005, and the completion of flood mitigation construction by FY2007. The project cost is projected to be \$100 million for the five-year period, and operating costs are estimated at \$.04 million. A large percentage of the program is funded by Florida Forever Funds, a dedicated funding source. As the land purchases and construction come to completion, ad valorem taxes will fund the operating costs.

A brief description of the major capital project for the Kissimmee Restoration Program and a detailed explanation of the operating costs follow:

Kissimmee River/Kissimmee Chain of Lakes

Highlands, Osceola and Polk Counties

The Upper Basin or Kissimmee Chain of Lakes project includes lands in the Upper Chain of Lakes that are required for the Kissimmee Restoration Project. Acquisition of these lands will allow the USACE to backfill the C-38 canal to restore the Kissimmee River and its floodplain. The District is buying land along the shoreline of the Kissimmee Chain of Lakes to raise the regulation water schedule in the lakes. Raising the lake schedules will allow the District to store more water in the lakes, making it available for release to the Kissimmee River.

The tasks in this project include backfilling 22 miles of the C-38, reconstructing nine miles of new river, acquiring 110,000 acres, adding two gates to S-65, modifying S-65A, removing S-65B and S-65C, modifying the S-65 regulation schedule, floodproofing three residential communities in Pool D, floodproofing large tracts within the Istokpoga Basin, raising 1.5 miles of U.S. Highway 98, constructing a railroad bridge over the river, adding gates to S-68, S-83 and S-84, replacing two boat ramps, widening the C-35, C-36 and C-37, and implementing a restoration evaluation program.

The FY2005 capital budget for the Kissimmee River/Kissimmee Chain of Lakes is comprised of \$44 million in land acquisition and associated costs. The five-year projected expenditures include \$65 million in land acquisition and associated costs, \$35 million in construction costs and \$35,000 in operating costs, for a total of \$100 million. It is expected there will be a significant decrease in FY2006 due to the completion of land purchases in December 2005. The scheduled completion date is FY2012.



Kissimmee River and floodplain, Pool B

Operating Cost Descriptions	FY2005	FY2006	FY2007	FY2008	FY2009
Exotic and aquatic vegetation control	\$0	\$7,200	\$6,400	\$10,000	\$12,000

Lake Okeechobee Program

The adopted FY2005 capital budget for the Lake Okeechobee program totals \$3 million. The program is funded by state sources (54.5 percent) and ad valorem taxes (45.5 percent).

The five-year capital budget for the Lake Okeechobee program is projected to decrease every year. This is due to the completion of land purchases and construction for Lemkin Creek, the cost of which was projected to be \$5.6 million. There are no operating costs associated with this program.

A brief description of the major capital project for the Lake Okeechobee Program follows:

Lemkin Creek Urban Treatment System

Okeechobee County

The Lake Okeechobee Protection Plan (LOPP) outlined a strategy to meet the total phosphorus Total Maximum Daily Load (TMDL) of 140 metric tons per year for Lake Okeechobee. The implementation of projects to reduce phosphorus load associated with urban run-off sources was specifically recommended in the LOPP. This project will treat urban stormwater run-off from southwest Okeechobee County, which otherwise would contribute to the phosphorus loading into Lake Okeechobee. This project will be a coordinated effort between the Florida Department of Environmental Protection (FDEP),



Lemkin Creek Urban Treatment System

Okeechobee County and the District. It is expected that approximately 50 percent of the urban run-off from the City of Okeechobee would be captured and treated by this project. Approximately 67 of the estimated 400 acres required for this project are currently owned by the state. Another 10 acres may be available from Okeechobee County.

The FY2005 capital budget for the Lemkin Creek Urban Treatment System is comprised of \$1.4 million in construction costs and \$1.6 million in land acquisition costs, for a total of \$3 million. The five-year projected expenditures include \$2.6 million in land acquisition and associated costs and \$3 million in construction costs, for a total of \$5.6 million. The project costs are expected to decrease by \$2.7 million in FY2007, when compared with FY2005. There are no anticipated operating costs for this project. The scheduled completion date is FY2007.

Mission Support Program

The adopted FY2005 capital budget for the Mission Support program totals \$1.8 million. The program is funded by capital financing (92.5 percent) and ad valorem taxes (7.5 percent).

The five-year capital budget for the Mission Support Program is anticipated to decrease in FY2006 and FY2007 and increase in FY2008 and FY2009. This is due to projects that will be initiated in FY2005 and be completed by FY2006, while others are scheduled to be done in the following two years. The total five-year CIP cost for the Mission Support Program is projected to be \$8.5 million. There are no anticipated additional operating costs for this program.

A brief description of the major capital project for the Mission Support Program follows:

Building and Improvements

Palm Beach County

Over an extended period of time, various repairs or updates are needed to extend the life of buildings, to provide more efficient usage, cut downtime and maintenance costs, and to perform safety-issue corrections, including roof and window replacement and HVAC improvements.

The FY2005 capital budget for Building and Improvements is comprised of \$1.8 million in betterment costs. The five-year projected costs are \$8.5 million. The costs are projected to increase in the FY2008 and FY2009 for the betterments. There are no anticipated additional operating costs for these betterments, which are part of existing buildings. The scheduled completion date is FY2009.

Please see the Five-Year Capital Improvements Plan Budget Projections page for costs-per-year breakdowns for specific projects.

Monitoring Capital Projects

The Budget Division, along with program coordinators and their appointed financial staff, conduct regular meetings to review capital project status. The budget staff generates monthly and quarterly reports that document status for each project in the annual Work Plan. The information from these reports is used to give feedback on project status to the Governing Board and executive management. These periodic reports focus on success indicators from the annual Work Plan, and include financial status and projections. Individual employee performance plans are tied to the projects and success indicators in the Work Plan. The reports identify projects that are not moving forward, those that might be over-expending, and those that are under-utilizing the appropriations allocated to them.

Impact of Capital Projects on the Operating Budget

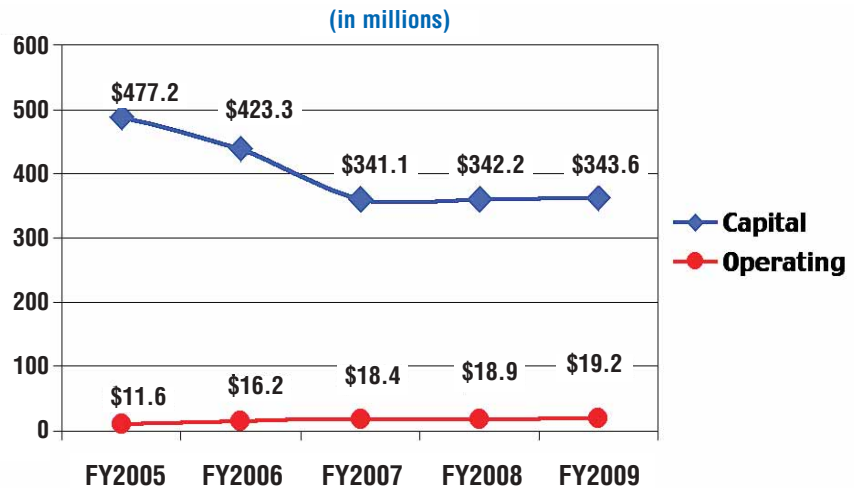
The impact of capital-project operating costs on the District's annual budget was an important consideration during the development of the Capital Improvements Plan (CIP). Some of the capital projects directly affect the District's operating budget by requiring increased levels of expenditures for staff, maintenance and utility costs. These increases will not manifest themselves during the construction phase of the projects, but are anticipated to do so upon the projects' completion. It is important that these costs be evaluated when determining the District's ability to fund the project in future years. In some cases, it might become necessary to obtain long-term financing for major projects, which could result in annual debt service payments that would increase the operating budget. In FY2005, scheduled District debt payments for land acquisition bonds and construction loans are \$11.6 million.

Operating costs associated with the FY2005 CIP are estimated to be \$11.6 million, or 1.5 percent of the District's total budget. The majority of these costs, or \$10.4 million, will be for operating some of the Stormwater Treatment Area components in the District Everglades Program. These operating costs include canal and levee maintenance, electricity and fuel for pumping operations, mowing, and debris removal. The Land Stewardship Program is also expected to incur \$1.2 million in expenses for maintenance of

bridges and walkways, spraying of invasive exotic plants to prepare land for future construction or public use, and to continue the land restoration effort. The Operations and Maintenance Program expects to incur \$15,000 in additional maintenance costs for a newly installed water control structure.

Not all capital improvement projects result in increased operating expenses. For example, a large number of the Operations and Maintenance Program structures are scheduled for replacement or refurbishment during the five-year period of this program. No increased levels of personnel, maintenance or utility costs are anticipated for these projects upon their completion. Instead, their completion may actually have positive impacts on the budget, such as reduced operating costs and increased efficiencies resulting from structure modification and modernization.

The following chart shows the projected annual operating budget impact for the next five years:

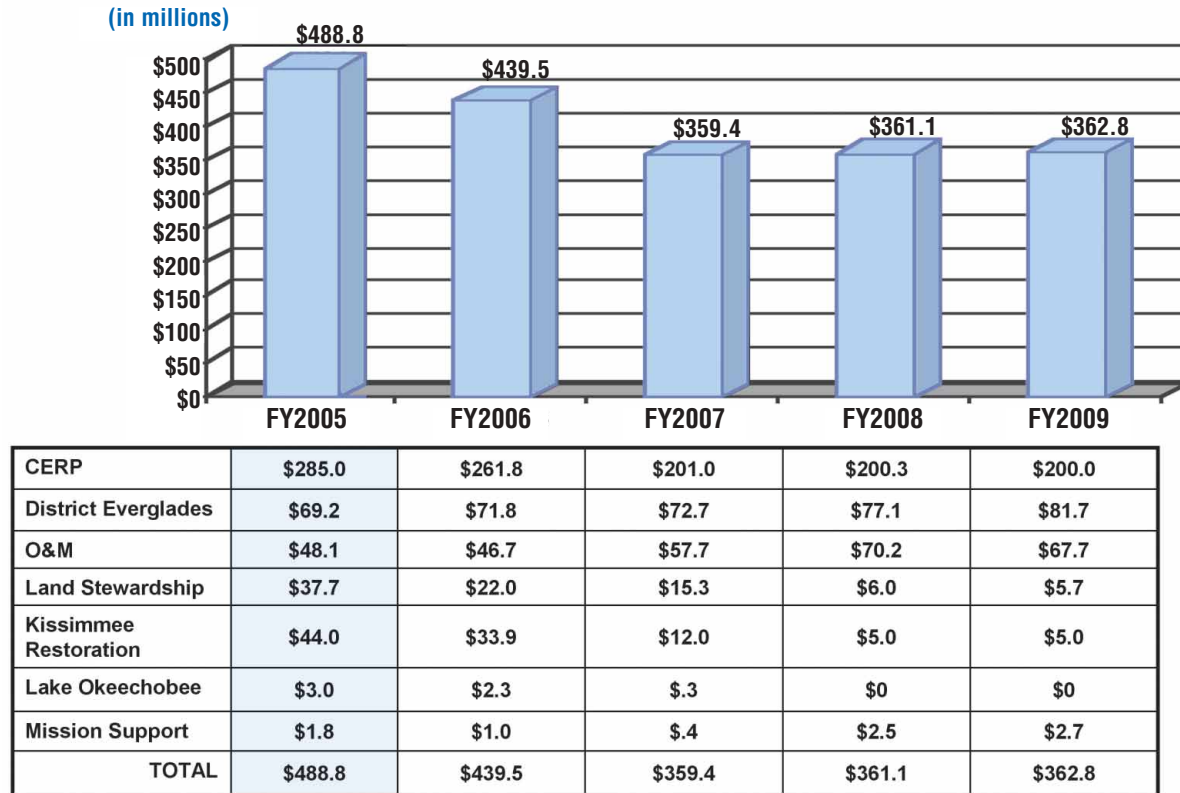


Capital Projects Operating Impact

Programs	FY2005	FY2006	FY2007	FY2008	FY2009
CERP	\$0	\$3,349,000	\$5,564,000	\$5,609,000	\$5,609,000
District Everglades	10,446,616	11,623,817	11,604,935	11,955,951	12,312,460
Operations and Maintenance	15,000	45,000	77,000	182,000	104,000
Land Stewardship	1,150,000	1,158,250	1,113,250	1,108,250	1,118,250
Kissimmee Restoration	0	7,200	6,400	10,000	12,000
Lake Okeechobee	0	0	0	0	0
Mission Support	0	0	0	0	0
TOTAL	\$11,611,616	\$16,183,267	\$18,365,585	\$18,865,201	\$19,155,710

Five-Year Capital Budget Projections

The chart below shows a high-level summary of the Capital Improvements Plan budget by program and year:



The majority of the projects detailed in the CIP are for the Comprehensive Everglades Restoration Plan (CERP) Program, the District Everglades Program, and the Operations and Maintenance Program. The CERP Program has the largest share of the overall capital budget at \$285 million or 58.3 percent. The District Everglades Program capital budget is \$69.2 million or 14.1 percent, and the Operations and Maintenance Program capital budget is \$48.1 million or 9.8 percent. The total FY2005 capital budget is \$488.8 million, which is 61.7 percent of the total FY2005 District budget of \$792.3 million.

Projects for the seven programs included in the CIP are shown in the tables on the following pages. This five-year financial summary reflects each project's land and construction costs, and contains incremental operating costs.

Comprehensive Everglades Restoration Plan Program (CERP)

SOURCES	FY2005	FY2006	FY2007	FY2008	FY2009
Save Our Everglades Trust Fund	\$134,411,135	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Ad Valorem Sources	91,812,673	100,000,000	100,000,000	100,000,000	100,000,000
Ad Valorem Sources – Big Cypress Basin	8,187,326	0	0	0	0
Florida Forever	8,432,000	0	0	0	0
Alligator Alley Toll Revenues	1,119,569	0	0	0	0
Federal USDA/NRCS	1,925,599	1,810,226	1,020,757	293,086	0
Florida Fish and Wildlife Conservation Commission	2,000,000	0	0	0	0
Collier County	2,000,000	0	0	0	0
State Appropriation #SA 2064A	5,010,000	0	0	0	0
Allapattah Easement Revenue	10,100,000	0	0	0	0
Martin County	20,000,000	0	0	0	0
Ad Valorem Sources – Previous Balance	60,000,000	60,000,000	0	0	0
Designated for Future Years' Expenditures	(60,000,000)	0	0	0	0
TOTAL	\$284,998,302	\$261,810,226	\$201,020,757	\$200,293,086	\$200,000,000
USES					
Critical Restoration Projects (CRP):					
Ten Mile Creek CRP	\$1,317,992	\$5,572,993	\$3,628,252	\$200,000	\$200,000
Tamiami Trail Culverts (West) CRP	5,096,157	10,170,736	6,219,852	200,000	200,000
Southern Crew/Imperial River Flowway CRP	2,069,811	20,000	20,000	20,000	20,000
Lake Trafford Restoration CRP	7,913,327	10,000,000	10,000,000	68,247	20,000
Lake Okeechobee Water Retention/Phosphorus Removal CRP	212,170	1,518,928	419,000	419,000	419,000
W C-11 (S-9) Water Quality CRP	200,000	1,617,515	110,000	110,000	110,000
Comprehensive Everglades Restoration Plan (CERP):					
Lake Okeechobee Watershed	476,217	44,939,004	24,353,601	29,174,373	17,418,800
C-43 Basin Storage Reservoir – Part 1	2,286,040	44,512,135	21,371,635	0	0
C-43 Basin Aquifer Storage and Recovery – Part 2	0	0	0	36,923	1,310,500
Caloosahatchee Back-pumping with Stormwater Treatment	0	514,800	514,800	3,012,336	4,770,528
Indian River Lagoon – South	57,112,750	41,713,707	23,114,356	30,700,459	29,805,688
Everglades Agricultural Area Storage Reservoirs – Phase 1	40,722,694	0	0	0	0
Everglades Agricultural Area Storage Reservoirs – Phase 2	0	902,200	1,121,772	19,673,096	19,555,988
Big Cypress L-28 Interceptor Modifications	0	338,857	729,287	1,845,766	1,838,721
Flow to NW & Central WCA 3A	0	158,592	105,185	0	0
WCA 3 Decom and Sheetflow Enhancement – Part 1	888,024	194,171	13,217	0	0
WCA 3 Decom and Sheetflow Enhancement – Part 2	0	116,538	952,353	1,042,206	761,223
Loxahatchee National Wildlife Refuge Internal Canal Structures	0	101,058	4,808	0	0
Modify Holey Land Wildlife Management Area Operation Plan	0	16,667	16,667	8,205	0
Modify Rotenberger Wildlife Management Area Operation Plan	0	19,922	0	0	0
North Palm Beach County – Part 1	55,899,186	23,178,571	38,160,071	40,719,445	0
North Palm Beach County – Part 2	0	0	0	0	125,769
PBC Agriculture Reserve Reservoir – Part 1	12,839	199,450	149,500	5,004,047	14,544,811
PBC Agriculture Reserve Reservoir Aquifer Storage and Recovery – Part 2	0	0	0	0	125,769
Hillsboro Aquifer Storage and Recovery – Part 2	0	0	0	0	125,769

USES Continued	FY2005	FY2006	FY2007	FY2008	FY2009
Flow to Eastern Water Conservation Area	0	0	0	0	83,077
Broward County Secondary Canal System	0	456,878	100,000	100,000	100,000
Everglades National Park Seepage Management	0	91,154	790,116	2,881,298	32,960,522
Biscayne Bay Coastal Wetlands	1,601,796	35,403,676	19,215,623	15,317,238	20,180,536
C-111 Spreader Canal	522,622	13,192,838	13,076,000	13,176,585	5,833,908
Southern Golden Gate Estates Hydrologic Restoration	12,927,797	2,100,000	2,100,000	2,100,000	2,100,000
Florida Keys Tidal Restoration	96,172	0	5,000	5,000	5,000
Lake Okeechobee ASR Pilot	117,010	0	1,896,154	2,007,692	1,141,538
Caloosahatchee (C-43) River ASR Pilot	73,449	261,538	300,000	288,462	200,000
Hillsboro ASR Pilot	63,870	29,231	300,000	287,726	233,043
Lake Belt In-ground Reservoir Technology Pilot	29,107	84,767	77,844	78,443	78,144
PBC Agriculture Reserve Reservoir Aquifer Storage and Recovery – Part 2	0	0	0	0	125,769
Hillsboro Aquifer Storage and Recovery – Part 2	0	0	0	0	125,769
Flow to Eastern Water Conservation Area	0	0	0	0	83,077
Broward County Secondary Canal System	0	456,878	100,000	100,000	100,000
Everglades National Park Seepage Management	0	91,154	790,116	2,881,298	32,960,522
Biscayne Bay Coastal Wetlands	1,601,796	35,403,676	19,215,623	15,317,238	20,180,536
C-111 Spreader Canal	522,622	13,192,838	13,076,000	13,176,585	5,833,908
Southern Golden Gate Estates Hydrologic Restoration	12,927,797	2,100,000	2,100,000	2,100,000	2,100,000
Florida Keys Tidal Restoration	96,172	0	5,000	5,000	5,000
Lake Okeechobee ASR Pilot	117,010	0	1,896,154	2,007,692	1,141,538
Caloosahatchee (C-43) River ASR Pilot	73,449	261,538	300,000	288,462	200,000
Hillsboro ASR Pilot	63,870	29,231	300,000	287,726	233,043
Lake Belt In-ground Reservoir Technology Pilot	29,107	84,767	77,844	78,443	78,144
L-31N Seepage Management Pilot	198,845	63,421	0	0	0
Wastewater Reuse Technology Pilot	238,861	1,317,500	240,000	241,846	181,792
Acme Basin B Discharge	96,574	0	285,000	285,000	285,000
Strazzulla Wetlands	37,209	0	25,000	50,000	50,000
Site 1 Impoundment	140,230	0	200,000	200,000	200,000
Bird Drive Recharge Area	750,000	0	0	0	0
ASR Regional Study	761,149	91,154	9,855,070	9,759,250	24,252,304
Broward County WPA	1,373,769	1,294,787	1,286,932	1,290,876	1,109,059
C-111 Project Implementation	9,551,569	0	0	0	0
CERP Program Management and Support (1)	25,060,041	14,921,828	13,949,000	13,422,500	13,222,500
Monitoring and Evaluation (RECOVER) (2)	4,932,617	6,431,011	6,314,663	6,567,067	6,431,011
Program Reserves (3)	50,378,980	0	0	0	0
Reconnaissance, Feasibility and Planning Studies	1,839,429	264,600	0	0	0
TOTAL	\$284,998,302	\$261,810,226	\$201,020,757	\$200,293,086	\$200,000,000

(1) Includes program-level costs, including program management and controls, outreach, environmental and economic equity, data management, Master Recreation Plan, Interagency Modeling Center, program regulations, and program indirect costs.

(2) Includes RECOVER and adaptive assessment.

(3) This represents funds that have not been budgeted to a specific project, but are expected to be spent during FY2005.

District Everglades Program (EFA)

SOURCES	FY2005	FY2006	FY2007	FY2008	FY2009
Prior Year Balance	\$6,686,236	\$3,060,422	\$0	\$0	\$0
Okeechobee Basin Ad Valorem (0.100 mill)	50,115,704	54,626,117	58,723,076	62,980,499	67,389,134
Agriculture Privilege Tax	12,242,934	11,384,291	11,151,345	11,151,345	11,151,345
Alligator Alley Toll Revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Intergovernmental – State Sources	500,000	0	0	0	0
Intergovernmental – Federal Sources	151,462	72,045	0	0	0
Investment Income	1,322,156	1,449,000	1,655,063	1,752,563	1,995,000
Tag Proceeds	187,000	200,000	200,000	200,000	200,000
Other	56,500	0	0	0	0
Designated for Future Years' EFA Related Expenditures	(3,060,422)	0	0	0	0
TOTAL	\$69,201,570	\$71,791,875	\$72,729,484	\$77,084,407	\$81,735,479
USES					
STA 1 East/C-51 West	\$4,012,785	\$2,567,248	\$2,644,176	\$2,724,180	\$2,805,605
STA 1 West Works/I and D Works (G-311 Water Control Structure)	4,293,550	3,911,378	2,010,780	2,071,620	2,133,540
STA 2 Works	1,684,960	1,957,703	2,100,148	2,163,692	2,228,364
S-5A Basin Runoff Diversion Works (G-341 Water Control Structure)	334,378	1,897,817	51,387	53,314	54,524
WCA-2A Hydropattern Restoration	23,166	658,470	81,416	25,320	26,077
STA 3/4 Works	5,279,536	8,427,499	5,772,202	3,349,148	3,448,786
STA 5 Works	1,082,100	2,597,676	717,178	738,878	760,963
STA 6, Sections 1 and 2	3,471,922	1,667,943	4,822,369	575,450	592,650
West WCA-3A Hydropattern Restoration	232,713	620,815	246,879	254,349	261,951
STA 1 East Enhancements	834,000	53,323	0	0	0
STA 1 West Enhancements	2,281,409	3,504,116	0	0	0
STA 2 Enhancements	2,813,908	4,591,492	0	0	0
STA 3/4 Enhancements	7,912,063	1,330,823	0	0	0
STA 5 Enhancements	1,805,742	1,161,272	0	0	0
STA 6 Enhancements	967,976	1,477,348	0	0	0
EFA Program Management and Support*	3,662,130	2,004,610	2,430,735	979,304	994,431
Agriculture Privilege Tax Fees/Revenue Costs	1,295,698	1,320,208	1,397,488	1,482,637	1,570,810
Future EFA Project Components	0	10,244,484	20,257,733	31,919,679	35,421,453
EFA Managerial Reserves	138,428	0	0	0	0
Other EFA (ECP and LTP) components, including operations, maintenance, monitoring, research and evaluation	27,075,106	21,797,650	30,196,993	30,746,836	31,436,326
TOTAL	\$69,201,570	\$71,791,875	\$72,729,484	\$77,084,407	\$81,735,479

* These costs are program-level costs which are not specific to any one EFA (ECP/LTP) project.

Operations and Maintenance Program (O&M)

SOURCES	FY2005	FY2006	FY2007	FY2008	FY2009
Ad Valorem Sources – Big Cypress Basin	\$4,864,000	\$4,930,000	\$5,742,000	\$8,347,000	\$5,769,000
FEMA Revenues	10,365,000	35,000	35,000	35,000	35,000
Ad Valorem Sources – Okeechobee Basin	32,872,000	41,717,500	51,917,139	61,775,284	61,850,000
TOTAL	\$48,101,000	\$46,682,500	\$57,694,139	\$70,157,284	\$67,654,000
USES					
Faka Union Canal Weir No. 4 Rehabilitation	\$214,000	\$160,000	\$10,000	\$10,000	\$10,000
C-1 Connector and Miller Weir No. 3 Renovation	500,000	1,100,000	5,000	5,000	5,000
Camp Keais Strand Flowway Restoration	1,000,000	50,000	7,000	7,000	7,000
Corkscrew Canal Improvement – Phases I and II	1,650,000	500,000	5,000	5,000	5,000
Golden Gate Canal Weir No. 2 Retrofit	1,500,000	1,000,000	10,000	10,000	10,000
Barron River Canal Improvements	0	0	1,005,000	2,010,000	1,010,000
Belle Meade Area Master Plan Implementation	0	0	0	2,050,000	110,000
Henderson Creek Canal Improvements	0	0	0	0	2,600,000
Henderson Creek Diversion	0	0	0	2,350,000	12,000
Golden Gate Canal Weir No. 3 Retrofit	0	220,000	2,000,000	0	0
Big Cypress Basin Office and Field Station Relocation	0	1,900,000	2,600,000	0	0
Golden Gate Canal Weir No.'s 6 and 7 Retrofit	0	0	100,000	1,700,000	0
Golden Gate Canal Weir No. 5 Retrofit	0	0	0	200,000	2,000,000
C-4 Phase 3 Dredging/S-25 Downstream Conveyance	5,200,000	0	0	0	0
S-27 Forward Pump Station	3,000,000	20,000	20,000	20,000	20,000
Sweetwater Berm Phase III	1,210,000	10,000	10,000	10,000	10,000
Sweetwater Berm Phase IV	955,000	5,000	5,000	5,000	5,000
Bearing Replacement	1,190,000	5,230,000	3,000,000	3,000,000	3,000,000
S-5A Horizontal Pump Refurbishment	3,028,000	3,149,000	3,875,000	0	0
Double Wall Piping	200,000	0	0	0	0
Engineering Design Fees	4,500,000	7,000,000	7,000,000	8,000,000	9,000,000
Erosion Control	532,000	0	0	0	0
Hydraulic Pump Replacement G-123	530,000	0	0	0	0
L-8 Tie Back Levee	877,000	0	0	0	0
Lock Hoist Replacement G-36	450,000	0	0	0	0
Lock Hoist Replacement S-135	450,000	0	0	0	0
Okeechobee Field Station B-11 Sewer Lines and Paving	300,000	0	0	0	0
Repowering of S-129, S-131, S-135	2,653,000	0	0	0	0
Automation/Telemetry	3,948,000	2,731,000	0	1,500,000	0
S-4 Fuel Tank Replacement	95,000	0	0	0	0
S-4 Electrical Upgrades	165,000	0	0	0	0
S-21 Structure Repairs (Corrosion Protection)	283,000	0	0	0	0
S-65 Structure Repair for Bank Stabilization	1,079,000	0	0	0	0
S-127 Operations Control Facility	1,500,000	0	0	0	0
S-10E Structure Decommission	80,000	0	0	0	0
Kissimmee Field Station Replacement	1,500,000	0	0	0	0
Dredging	1,500,000	4,265,000	16,841,879	23,433,084	25,500,000
Project Culverts	195,000	2,360,000	2,415,000	8,000,000	0
Pump Station Waterproofing/Hardening	3,268,000	500,000	1,500,000	1,200,000	0
Bank Stabilization	132,000	10,745,000	11,775,260	14,142,200	22,300,000
Trash Rakes	2,250,000	5,037,500	5,250,000	2,500,000	2,050,000
Gate Hoist/Operator Replacements	586,000	700,000	260,000	0	0
S-65 A Erosion Repairs	1,581,000	0	0	0	0
TOTAL	\$48,101,000	\$46,682,500	\$57,694,139	\$70,157,284	\$67,654,000

Land Stewardship Program

SOURCES	FY2005	FY2006	FY2007	FY2008	FY2009
Florida Forever	\$3,000,000	\$0	\$0	\$0	\$0
Wetland Mitigation (Fund Balance)	9,784,000	2,501,250	1,406,250	1,351,250	811,250
External Grant	690,000	90,000	90,000	0	0
Lake Belt Mitigation	3,400,000	4,000,000	4,500,000	4,700,000	4,900,000
Water Management Lands Trust Fund	630,000	7,000	7,000	7,000	7,000
Ad-Valorem Sources – District	20,000,000	15,370,360	9,320,000	0	0
Ad-Valorem Sources – Okeechobee Basin	200,000	0	0	0	0
TOTAL	\$37,704,000	\$21,968,610	\$15,323,250	\$6,058,250	\$5,718,250
USES					
Herbert Hoover Dike ROW/Easement Acquisition	\$200,000	\$0	\$0	\$0	\$0
Lee Property Land Acquisition – Martin County	20,000,000	15,370,360	9,320,000	0	0
Par Mar/Pal Mar ? Martin County MOU – Land	3,000,000	0	0	0	0
Lake Belt Land/Lake Belt Associated Costs	3,900,000	4,000,000	4,500,000	4,700,000	4,900,000
Pennsuco Land/Associate Costs	2,500,000	1,500,000	1,000,000	1,000,000	500,000
Shingle Creek Phase II and III Land/Associated Costs	6,189,000	600,000	50,000	40,000	35,000
CREW Land/Associated Costs	345,000	400,000	355,000	310,000	275,000
STA Retrofit	250,000	1,000	1,000	1,000	1,000
Shingle Creek Swale – Hydrologic Restoration	200,000	1,000	1,000	1,000	1,000
Shingle Creek Road Removal	50,000	250	250	250	250
Rough Island Restoration	100,000	30,000	30,000	0	0
Public Use Access	280,000	1,000	1,000	1,000	1,000
Starvation Slough Prairie Groundcover and Hydrological Restoration II	100,000	5,000	5,000	5,000	5,000
Packingham and Buttermilk Slough Restoration	350,000	0	0	0	0
Lightsey Restoration	40,000	10,000	10,000	0	0
Gardner-Cobb Marsh Restoration	200,000	50,000	50,000	0	0
TOTAL	\$37,704,000	\$21,968,610	\$15,323,250	\$6,058,250	\$5,718,250

Kissimmee Restoration Program

SOURCES	FY2005	FY2006	FY2007	FY2008	FY2009
Florida Forever	\$33,255,000	\$33,936,750	\$12,006,400	\$5,010,000	\$5,012,000
Ad Valorem Sources – District	1,182,635	0	0	0	0
Ad Valorem Sources – Okeechobee Basin	9,632,815	0	0	0	0
TOTAL	\$44,070,450	\$33,936,750	\$12,006,400	\$5,010,000	\$5,012,000
USES					
Kissimmee River/Kissimmee Chain of Lakes	\$44,070,450	\$33,936,750	\$12,006,400	\$5,010,000	\$5,012,000
TOTAL	\$44,070,450	\$33,936,750	\$12,006,400	\$5,010,000	\$5,012,000

Lake Okeechobee Program

SOURCES	FY2005	FY2006	FY2007	FY2008	FY2009
Lake Okeechobee Trust Fund	\$618,105	\$0	\$0	\$0	\$0
Water Management Lands Trust Fund	1,000,000	0	0	0	0
Ad Valorem Sources – Okeechobee Basin	1,350,000	2,350,000	300,000	0	0
TOTAL	\$2,968,105	\$2,350,000	\$300,000	\$0	\$0
USES					
Lemkin Creek Urban Treatment System	\$2,968,105	\$2,350,000	\$300,000	\$0	\$0
TOTAL	\$2,968,105	\$2,350,000	\$300,000	\$0	\$0

Mission Support Program

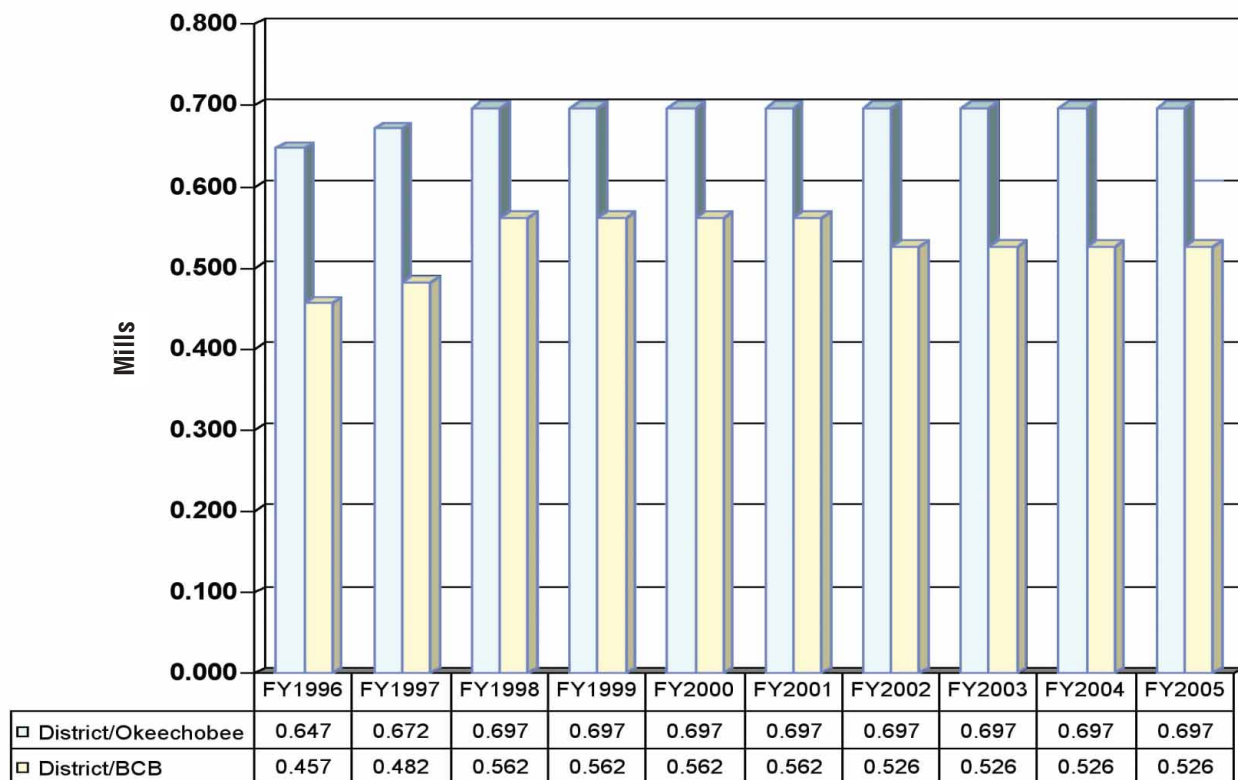
SOURCES	FY2005	FY2006	FY2007	FY2008	FY2009
Capital Financing	\$1,653,780	\$0	\$0	\$0	\$0
Ad Valorem Sources - Okeechobee Basin	134,500	1,004,500	415,000	2,508,000	2,736,500
TOTAL	\$1,788,280	\$1,004,500	\$415,000	\$2,508,000	\$2,736,500
USES					
Building & Improvements	\$1,788,280	\$1,004,500	\$415,000	\$2,508,000	\$2,736,500
TOTAL	\$1,788,280	\$1,004,500	\$415,000	\$2,508,000	\$2,736,500
TOTAL CAPITAL EXPENDITURES	\$488,831,707	\$439,544,461	\$359,489,030	\$361,111,027	\$362,806,229

Ten-Year Tax Millage History

The following graph depicts the District's actual millage rates over a 10-year period:

Ad Valorem Millage Rates

FY1996 through FY2005

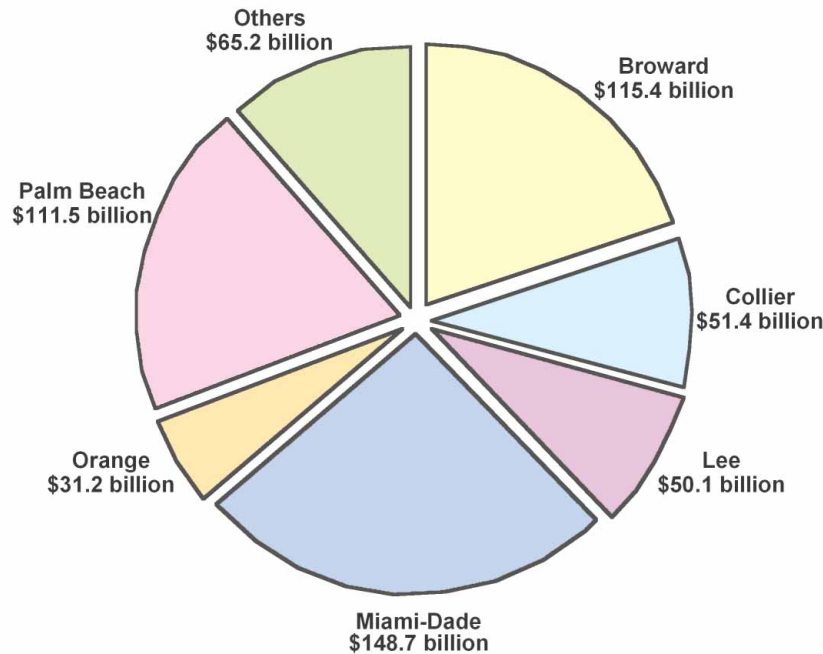


□ District/Okeechobee □ District/BCB

The District's FY2005 adopted millage rates remain the same as in FY2004. In FY2005, all property owners within the District's boundaries will be assessed the District-at-large millage rate of .2840 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .3130 mills and the Everglades Construction Project tax rate of .1000 mill, for a combined tax assessment of .6970 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .2425 mills and the District-at-large tax rate of .2840 mills, for a combined tax assessment of .5265 mills.

FY2005 District Tax Base

Total Tax Base: \$573.5 Billion



Taxable values for the six largest counties in the District's 16-county jurisdiction represent 88.6 percent of the total tax base. Miami-Dade, Broward and Palm Beach Counties comprise 65.5 percent of the total tax base.

FY2005 Taxable Values

District, Okeechobee Basin and Big Cypress Basin	District FY2004 Final Taxable Values	District FY2005 Final Taxable Values	Okeechobee Basin	Big Cypress Basin	Percent Change
Broward	\$103,976,829,657	\$115,358,701,214	\$115,358,701,214	\$0	10.95%
Charlotte	96,634,871	110,997,667	110,997,667	0	14.86%
Collier	46,139,871,202	51,444,974,521	0	51,444,974,521	11.50%
Glades	439,065,106	464,030,251	464,030,251	0	5.69%
Hendry	1,557,910,882	1,689,338,896	1,689,338,896	0	8.44%
Highlands	502,790,089	527,775,109	527,775,109	0	4.97%
Lee	43,139,910,156	50,055,042,233	50,055,042,233	0	16.03%
Martin	13,348,450,379	15,616,880,817	15,616,880,817	0	16.99%
Miami-Dade	131,120,085,729	148,703,157,654	148,703,157,654	0	13.41%
Monroe	14,796,247,594	17,461,639,367	17,461,631,375	7,992	18.01%
Okeechobee	1,170,282,587	1,386,774,792	1,386,774,792	0	18.50%
Orange	28,608,210,783	31,190,040,971	31,190,040,971	0	9.02%
Osceola	12,041,375,878	13,573,637,381	13,573,637,381	0	12.72%
Palm Beach	98,725,683,959	111,489,842,579	111,489,842,579	0	12.93%
Polk	686,156,094	843,674,275	843,674,275	0	22.96%
St. Lucie	10,819,143,094	13,567,060,745	13,567,060,745	0	25.40%
Total Tax Base	\$507,168,648,060	\$573,483,568,472	\$522,038,585,959	\$51,444,982,513	13.08%

Impact of Taxes

Average Home	
Assessed Value	\$125,000
Less Homestead Exemption	25,000
Taxable Value	\$100,000

The average impact of the District's FY2005 millage rates on a homeowner residing in the Okeechobee or Big Cypress Basin with a home assessed at \$125,000 (less a \$25,000 homestead exemption) is shown below:



Okeechobee Basin		
(\$100,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2005 Tax Rate District and Okeechobee Basin	0.6970	\$69.70
Adopted FY2004 Tax Rate District and Okeechobee Basin	0.6970	\$69.70
FY2004- FY2005 Variance	0.0000	\$0.00

Big Cypress Basin		
(\$100,000 Taxable Value)	Millage Rate	Tax Rate
Adopted FY2005 Tax Rate District and Big Cypress Basin	0.5265	\$52.65
Adopted FY2004 Tax Rate District and Big Cypress Basin	0.5265	\$52.65
FY2004- FY2005 Variance	0.0000	\$0.00

Taxes paid within the Okeechobee Basin for FY2005 remain approximately 70 cents per \$1,000 of taxable value. Taxes paid within the Big Cypress Basin for FY2005 remain the same, at approximately 53 cents per \$1,000 of taxable value.

The enabling legislation limits the combined District-at-large and basin tax millage for each of the two basins at .8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value).

Taxing Authority Definitions

A sample property tax notice for a typical Palm Beach County resident with a home assessed at \$127,375 (less a \$25,000 homestead exemption) is shown on the following page. Each year in August, Florida property owners receive similar notices from their respective county property appraisers. This sample tax notice has been divided into the following sections:

Section 1

This section lists the taxing authorities, including the District. Other taxing authorities that receive revenue through property taxes are Palm Beach County, the Palm Beach County School Board, the Palm Beach County Health Care District and the Children's Services Council.

Section 2

This section details how property taxes were distributed last year among the various taxing authorities.

Section 3

This section lists the property taxes proposed for this year. In this example, the property taxes levied by the District are listed on two lines: SFWMD \$61.60 and Everglades Construction Project \$10.32, for a total of \$71.92. The Everglades Forever Act of 1994 requires the District to separate the Okeechobee Basin tax revenue dedicated to the Everglades Construction Project.

Section 4

This section lists the name, address and phone number for each taxing authority, and provides the date of their first budget hearing.

Section 5

This section lists the assessed value of the property for last year and this year, and details any property exemptions that apply. In this example, the assessed value for the property last year was \$125,000, minus a \$25,000 homestead exemption. The property taxes due are based on a net taxable value of \$102,375.


Section 6

This section lists the taxes to be paid if no budget changes are made by the taxing authorities. This is also known as the rolled-back rate, which is a millage rate that generates the same tax revenue as last year, exclusive of new construction.

Section 7

This section lists non-ad valorem fees and assessments to be collected by other taxing authorities.

Sample Tax Notice

NOTICE OF PROPOSED PROPERTY TAXES AND PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS				
PROPERTY CONTROL NO. 00-00-00-00-00-0000		2004 PROPOSED AD VALOREM TAXES		DO NOT PAY THIS IS *NOT* A BILL
LEGAL DESCRIPTION OF PROPERTY: PARCEL IS IN INCORPORATED PALM BEACH COUNTY		The taxing authorities which levy property taxes against your property will soon hold PUBLIC HEARINGS to adopt budgets and tax rates for the next year. The purpose of these PUBLIC HEARINGS is to receive opinions from the general public and to answer questions on the proposed tax change and budget PRIOR TO TAKING FINAL ACTION. Each taxing authority may AMEND OR ALTER its proposal at the hearing.		
Section 1	Section 2	Section 3		
TAKING AUTHORITY	YOUR PROPERTY TAXES LAST YEAR	YOUR TAXES THIS YEAR IF PROPOSED BUDGET CHANGE IS MADE	A PUBLIC HEARING ON THE PROPOSED TAXES AND BUDGET WILL BE HELD:	
PB COUNTY	450.00	464.35	PALM BEACH COUNTY (561) 355-2587 9/09 7:00 PM 301 N OLIVE AVE 6TH FL WEST PALM BEACH 33401	
PUBLIC SCHOOLS			PBC SCHOOL BOARD (561) 434-8837 9/13 5:05 PM 3300 FOREST HILL BLVD WEST PALM BEACH 33406	
BY STATE LAW	565.20	574.35		
BY LOCAL BOARD	259.90	267.47		
CITY	790.00	815.19	WEST PALM BEACH (561) 822-1342 9/08 5:01PM 200 SECOND STREET WEST PALM BEACH 33401	
SFWMO	59.70	61.60	SO FLA WTR MGT DIST (561) 686-8800 9/07 5:15PM 3301 GUN CLUB ROAD WEST PALM BEACH 33406	
EVERGLADES	10.00	10.32	FL INLAND NAVIG DIST (561) 627-3386 9/08 6:30PM 21 S CYPRESS ST FELLSMERE 32948	
CONST. PROJ.	3.85	3.97	CHILDRENS SV COUNCIL (561) 655-1010 9/07 6:00PM 1919 N FLAGLER DR WEST PALM BEACH 33407	
Independent Special Districts			PBC HEALTH CARE DIST (561) 659-1270 9/08 6:00 PM 324 DATURA ST STE 401 WEST PALM BEACH 33401	
F.I.N.D.				
CHILD SERV	69.02	71.22		
HEALTH	113.00	113.51		
County DBT	29.10	27.62	Section 4	
SCHOOL DBT	32.00	28.27		
CITY DBT	58.08	53.44		
TOTAL AD VALOREM PROPERTY TAXES	2439.85	2491.31	Section 6	
	COLUMN 1	COLUMN 2	SEE REVERSE SIDE FOR EXPLANATIONS	
			COLUMN 3	
			2302.81	
Section 5		Section 7		
YOUR PROPERTY VALUE LAST YEAR	MARKET VALUE	YOUR PROPERTY VALUE THIS YEAR	EXEMPTIONS APPLIED TO THIS PROPERTY	IF YOU FEEL THAT THE MARKET VALUE OF YOUR PROPERTY IS INACCURATE OR DOES NOT REFLECT FAIR MARKET VALUE, OR IF YOU ARE ENTITLED TO AN EXEMPTION THAT IS NOT REFLECTED ABOVE, CONTACT YOUR COUNTY PROPERTY APPRAISER AT:
125000		144000	HOMESTEAD	Residential SEE REVERSE SIDE
125000	ASSESSED VALUE	127375		Exemptions (561) 355-2866
25000	EXEMPTIONS	25000		Commercial (561) 355-4090
100000	TAXABLE VALUE	102375	SEE REVERSE SIDE FOR MORE INFORMATION	Agriculture (561) 355-2646
				GOVERNMENTAL CENTER - 5th FLOOR 301 N. OLIVE AVE. WEST PALM BEACH, FLORIDA 33401
				FOR ADDITIONAL OFFICE LOCATIONS PLEASE SEE REVERSE SIDE.
IF THE PROPERTY APPRAISER'S OFFICE IS UNABLE TO RESOLVE THE MATTER AS TO MARKET VALUE, YOU MAY FILE A PETITION. PETITION FORMS ARE AVAILABLE FROM THE COUNTY PROPERTY APPRAISER'S OFFICE. YOUR PETITION MUST BE FILED WITH THE CLERK OF THE VALUE ADJUSTMENT BOARD ON OR BEFORE: 17-SEP-04 5:00 PM AT 301 N. OLIVE AVENUE, WEST PALM BEACH, FLORIDA 33401				
YOUR FINAL TAX BILL MAY CONTAIN NON-AD VALOREM ASSESSMENTS WHICH MAY NOT BE REFLECTED ON THIS NOTICE SUCH AS ASSESSMENTS FOR ROADS, FIRE, GARBAGE, LIGHTING, DRAINAGE, WATER, SEWER, OR OTHER GOVERNMENTAL SERVICES AND FACILITIES WHICH MAY BE LEVIED BY YOUR COUNTY, CITY, OR ANY SPECIAL DISTRICT.				
2004 PROPOSED AND/OR ADOPTED NON-AD VALOREM ASSESSMENTS				
LEVYING AUTHORITY	TELEPHONE NUMBER	RATE	ASSESSED AMOUNT	
N.P.B. CO. IMPROV DIST 5B	(561) 624-7830	411.86	411.86	
N.P.B. CO. IMPROV DIST 5B	(561) 624-7830	87.63	87.63	
SOLID WASTE AUTHORITY	(561) 697-2700	53.00	53.00	
			TOTAL NON-AD VALOREM 552.49	
DO NOT PAY --- THIS IS NOT A BILL				
 00-00-00-00-00-0000 74402 HX MR. AND MRS. TAXPAYER 1 MAIN STREET PALM BEACH COUNTY FL 11111-1111 ***** THIS IS A SAMPLE PROPERTY SUBJECT TO THE SOH 3% CAP ***** 000000105 T=000000001				

Property Appraisers

Broward County

Mr. William Markham
115 S. Andrews Avenue, Room 111
Fort Lauderdale, FL 33301
(954) 357-6830

Charlotte County

Mr. Frank Desguin
18500 Murdock Circle
Port Charlotte, FL 33948
(941) 743-1470

Collier County

Mr. Abe Skinner
3301 E. Tamiami Trail, Building C-2
Naples, FL 34112
(239) 774-8141

Glades County

Mr. Larry R. Luckey
P.O. Box 1106
Moore Haven, FL 33471
(863) 946-6025

Hendry County

Ms. Kristina Kulpa
P.O. Box 1840
LaBelle, FL 33975
(863) 675-5270

Highlands County

Mr. Raymond McIntyre
501 S. Commerce Avenue
Sebring, FL 33871
(863) 402-6659

Lee County

Mr. Kenneth M. Wilkinson
P.O. Box 1546
Fort Myers, FL 33902
(239) 339-6100

Martin County

Ms. Laurel Kelly
120 E. Ocean Boulevard
Stuart, FL 34994
(772) 288-5608

Miami-Dade County

Mr. Joel W. Robbins
111 N.W. First Street, Suite 710
Miami, FL 33171
(305) 375-4008

Monroe County

Mr. Ervin A. Higgs
500 Whitehead Street
Key West, FL 33040
(305) 292-3420

Okeechobee County

Mr. William C. Sherman
307 N.W. Fifth Avenue, Suite A
Okeechobee, FL 34972
(863) 763-4422

Orange County

Mr. Kevin Beary
2400 W. 33rd Street
Orlando, FL 32839
(407) 836-3700

Osceola County

Mr. Robert Day
P.O. Box 422366
Kissimmee, FL 34742
(407) 343-3700

Palm Beach County

Mr. Gary Nikolits
301 N. Olive Avenue
West Palm Beach, FL 33401
(561) 355-3230

Polk County

Ms. Marsha Faux
255 N. Wilson Avenue
Bartow, FL 33830
(863) 534-4777

St. Lucie County

Mr. Jeff Furst
2300 Virginia Avenue, Room 107
Fort Pierce, FL 34982
(772) 462-1000

How Environmental Factors Affect District Services

There are diverse natural and man-made conditions that affect the District's geographical service area and influence demands for service. These conditions include the effects of water on Florida's unique terrain; specific water issues, such as quality, drainage and flooding; urban and agricultural development; changes in land use over time; and other related factors.

Surface Features and Soils

The topography of South Florida is flat and at a low elevation, which creates special challenges. The flatness of the land combines with Florida's abundant sandy soil to hamper the quantity of rainfall that moves downward into the deep aquifers that store water. This often makes irrigation necessary, despite an abundance of rainfall.

Groundwater Resources

Virtually all areas within the District contain underground aquifers capable of yielding some quantity of water.

Everywhere in the District, except in the Upper Kissimmee Basin, water in aquifers must be treated extensively before it meets drinking-water standards. The District makes water from aquifers available to utility companies, which then treat the water before delivery to the community.



Florida's West Coast

Climate

The climate in South Florida is subtropical, which means there is a long growing season for natural vegetation, urban landscaping and agricultural crops. Although South Florida can claim rainfall totals averaging 53 inches per year, there is significant water loss due to evapotranspiration, which is a combination of transpiration (vapor rising from the pores of plants) and evaporation from water and land surfaces. The amount of water lost from evapotranspiration is almost equal to the total rainfall.

There is significant variation in rainfall throughout the year, creating distinct wet (summer) and dry (winter) seasons. Summer storms are often intense and occur with unpredictable frequency. Total rainfall also varies greatly from year to year, because of major variations caused by climactic cycles and tropical weather systems. These conditions create the need for water management — both when rain is overabundant and when it is in short supply.

Drainage

Unfortunately, Florida's naturally high water levels and seasonal flooding are not compatible with agricultural and urban development. Drainage is a key factor in the creation of dry land on which houses and roads can be built, and crops and landscaping can be grown. The effects of altering these water levels, however, can cause shifts in vegetation patterns, the loss or degradation of wetlands from excessive flooding, and an increase in the spread of invasive exotic and nuisance plants. All of these conditions are monitored and managed through the District's programs to help restore balance to the land.

Flood Protection

The many intense rainfall events that occur in the District's service area would cause extensive flooding if flood protection services weren't in place. These services generally involve the rapid movement of excess water into storage or to tidal areas. The state's flat topography makes this movement difficult, so a system of high-capacity canals, structures and pump stations are used.

The rapid movement of runoff water, although necessary, can also create problems in the lakes, wetland areas and estuaries to which it flows. This is due to changes in the timing, location and amount of water discharge. One way to manage these problems is to develop storage facilities that act as “shock-absorbers” to moderate the rate of discharge into natural water bodies. The District has extensive networks of publicly and privately owned storage areas, designed to capture excess water during wet periods and release it later to tidal areas, natural systems or for human use during dry periods.

Several other methods used to protect natural systems are Reservations and Minimum Flows and Levels (MFL) criteria. Reservations are used to protect water from use in designated locations. MFLs are established by using the best available information to calculate a minimum flow and level for each water body, reflecting seasonal variations when appropriate. These calculations establish the point at which further water withdrawals would significantly harm the water resources or the ecology of the area.

Water Quality

Because of the state’s flat topography, natural ecosystems spread out over a vast expanse and the entire region usually experiences at least some flooding every year. This naturally wet landscape provides an important function by removing nutrients — especially phosphorus and nitrogen — from the water. The availability of nutrients is an important water quality issue that determines the composition, distribution and density of native plants. Many of these natural plant communities develop in response to the lack of nutrients, especially phosphorus. The District monitors and controls nutrient levels where necessary to help maintain an appropriate balance.

The construction of canals and pump stations for drainage and flood protection has also affected water quality in regional systems. Runoff from developed landscapes frequently contains chemical pollutants, contaminants and fertilizers that may have severe consequences on natural systems. These affects include excess growth of nuisance plants and algae, oxygen depletion, and periodic widespread aquatic-animal deaths. A means to address this issue is the development of water quality treatment facilities, typically in combination with water storage areas. Stormwater Treatment Areas (STA) fulfill this function by removing sediments, nutrients and pollutants through the natural processes of plant growth and soil build-up.

Water Supply

Originally, natural systems in South Florida were supplied primarily with water from rainfall and the flow of excess water from lakes, rivers and the Everglades wetlands. Over time, however, this natural system has been modified extensively by construction of a vast network of canals, structures and pump stations that control water levels. The District uses this infrastructure to replenish surface aquifers, protect coastal areas from saltwater intrusion, maintain water levels needed for crop irrigation in regional canals, and replenish surface water to protect regional lakes and wetlands. In addition to maintaining higher water levels in regional storage facilities, such as the Kissimmee Lakes, Lake Okeechobee and the Everglades Water Conservation Areas, methods for underground storage — termed Aquifer Storage and Recovery — are being tested for use throughout the District.



Mangrove replenishment in the St. Lucie Inlet

Historical Changes in Land Uses

South Florida has undergone significant changes, due in large part to the Central and Southern Florida Project providing the regional backbone of the area's drainage and flood control system. The system has also proved to be successful in the movement of water to augment water supplies. The result has been rampant urban and agricultural development. At the same time, conditions in the Everglades and other components of the South Florida natural ecosystem have been declining.

Agricultural and urban land uses have expanded greatly since 1940. A large portion of South Florida has avoided development, though much of it has been disturbed and the ecosystem values reduced. For example, substantial portions of the original Everglades have been protected in Water Conservation Areas since the 1970s, but changing water levels, water-delivery timing and nutrient inflows have resulted in adverse effects on native plant and animal communities. The table below shows changing land uses within the District:

Changes in Land Use Within the District

Source: District Water Management Plan

	1953		1973		1995	
	Square Miles	Percent	Square Miles	Percent	Square Miles	Percent
Urban	372	2.2%	1,234	7.2%	2,277	13.3%
Agricultural	1,632	9.5%	4,703	27.5%	4,757	27.8%
Natural	14,180	82.5%	10,234	59.9%	8,976	52.5%
Water	997	5.8%	909	5.3%	1,098	6.4%
Total	17,181	100%	17,080	100%	17,108	100%

The SFWMD is presently updating its regional water supply plans to include 2000 base-year data. This information will become available in FY2006.

Urban Development

Between the years 1950 and 2000, the population within the District's boundaries grew from 0.8 million to 6.6 million. The 2000 population, based on the U.S. Census, is shown in the table below. The 2025 population projections shown in the table are those used for long-term planning by each county. These projections were developed by the Bureau of Economics and Business Research at the University of Florida, for all counties except Collier County. Collier County is located in the Lower West Coast (LWC) Planning Area and received approval to use a higher projection.

The projections in the table show that significant population growth is expected. The largest population change will be in the Lower East Coast (LEC). The largest percentage of growth will be in the Lower West Coast, the Orlando-Kissimmee Area (KISS) and the Upper East Coast (UEC). The interior areas will have the lowest population growth, both in population and percentage of change in population.

Projected Population Growth Patterns in the District

Area Within the South Florida Water Management District	2000 Population	2025 Population	Change in Population	Percent Change in Population
Lower East Coast ¹	5,007,988	7,220,800	2,212,812	44.2%
Lower West Coast ²	739,405	1,470,855	731,450	98.9%
Orlando-Kissimmee Area ³	391,481	919,848	528,367	135.0%
Upper East Coast ⁴	319,426	510,600	191,174	59.8%
Interior Counties ⁵	55,217	79,617	24,400	44.2%
Florida Keys ⁶	79,589	83,300	3,711	4.7%
Total	6,593,106	10,285,020	3,691,914	56.0%

¹Lower East Coast: Miami-Dade, Broward and Palm Beach Counties

²Lower West Coast: Lee County, most of Collier and Hendry Counties, portions of Glades, Charlotte and mainland Monroe counties.

³Orlando-Kissimmee Area: Portions of Orange and Osceola Counties in the District area

⁴Upper East Coast: Martin and St. Lucie Counties

⁵Interior Counties: Hendry, Glades and Okeechobee Counties and those portions of Highlands and Polk Counties within the District area

⁶Florida Keys: Monroe County

This continued urban growth provides challenges in assuring the availability of water supplies, protecting water sources from contamination, and providing drainage and flood protection services.

Agricultural Development

Commercial agriculture is a major water user in the District’s area. Major crops and counties where the use is concentrated are shown in the table below. Commercial agricultural crops invariably require irrigation, so the estimation of irrigation requirements is fundamental to the water supply planning process.



Carrotwood fruit

Agricultural Land Use in South Florida

Source: Water Management District (1995)

Agricultural Crop or Land Use	Counties in the District Where Use is Concentrated	Approximate Irrigated Acreage in 1995
Citrus	St. Lucie, Hendry, Polk and Martin	391,000
Vegetables	Miami-Dade, Palm Beach, Collier, Hendry, and Lee	157,000
Sugarcane	Palm Beach, Hendry, Glades and Martin	433,000
Nurseries	Miami-Dade, Broward and Palm Beach	26,000
Sod	Palm Beach	18,000
Pasture	Okeechobee, Highlands and Osceola	Rarely irrigated

Note: The District is currently updating the Kissimmee Basin, Lower East Coast and Lower West Coast Water Supply Plans. The plan for the Upper East Coast was completed in June 2004. The 2000 base-year data will be compiled and reported for the FY2006 version of this document.

The land use data shown previously indicated the rapid development of agriculture in the period from 1953 to 1973, during which agricultural land use grew from 9.5 percent to 27.5 percent. In contrast, from 1973 to 1995, agricultural land use only grew from 27.5 percent to 27.8 percent. Irrigated agricultural land use is expected to grow very little through 2025. This is shown in the table below, and is based on information in the District Water Supply Assessment.

Projected Changes in Irrigated Agricultural Land Use in Acres from 1995 to 2020

Planning Area	Citrus and Other Fruit	Vegetables	Sugar Cane and Other Field Crops	Sod	Nursery	All Irrigated Crops
LWC	33,778	4,849	6,185	0	3,696	48,508
LEC	683	-34,715	-44,325	0	13,214	-65,143
UEC	22,236	0	0	2,800	200	25,236
KISS	28,722	9,000	1,144	0	1,092	39,958
District	85,419	-20,866	-36,996	2,800	18,202	48,559

Notes: The District is presently updating the Kissimmee Basin, Lower East Coast and Lower West Coast Water Supply Plans. The plan for the Upper East Coast was completed in June 2004. The 2000 base-year data will be compiled and reported for the FY2006 version of this document.

The estimated total irrigated acreage in the District is 1,076,000 acres.

While the overall change in irrigated agricultural acreage (49,000 acres) is small compared to the base (1,076,000 acres), there are some significant shifts among the regions. Reductions anticipated in the Lower East Coast area are due to conversion of agricultural lands to urban uses and the addition of more STAs in the Everglades Agricultural Area. The increase in acreage in the other areas will place more demands on water supply, drainage and flood control services.

Natural Areas

Effects of Changing Water Flows and Levels

The effects on natural ecosystems in and adjacent to recently developed agricultural and urban areas have been significant. The current Everglades are only about half the size they were 100 years ago. Many urban and agricultural areas formerly played a significant role in the functioning of the South Florida ecosystem. For instance, the area that is now the Everglades Agricultural Area was several feet higher in elevation than it is today. This area provided significant storage of water when levels in Lake Okeechobee rose during wet periods and delivered this water to the Everglades. The urban area of the Lower East Coast was formerly the source of replenishment to Biscayne Aquifer and much of the surface water in Shark River Slough, a key area in the ecology of Everglades National Park.

In addition, the remaining Everglades and other parts of the South Florida ecosystem no longer exhibit the functions and species that historically defined them. There has been a large reduction in wading bird populations, numerous species have become threatened or endangered, large areas have become infested with invasive plants, mercury contamination has become a problem, and destructive algae blooms have occurred in Lake Okeechobee, Lake Trafford, Florida Bay and other water systems. There is significantly less water flowing through the ecosystem today than compared to historical times, and discharges to the Everglades and estuaries are often too much or too little, and frequently occur at the wrong time of the year.

Effects of Changing Water Quality

Water quality throughout South Florida has deteriorated over the past 50 years. More than half the wetlands that acted as natural filters and retention areas are gone. Runoff from agricultural and urban lands contains excessive amounts of pesticides, hydrocarbons and fertilizer. Evidence of the excessive nutrients entering the Everglades can be seen in the abundance of cattails. In Lake Okeechobee and other major lakes, Florida Bay and estuaries, the results can be seen in algae blooms, excessive growth of aquatic plants, and the accumulation of organic materials.

Regional Resource Protection and Restoration Efforts

In recent years, the need for natural system restoration and improved services from the District has increased. The demand for these services has been expressed in federal and state legislation, and in District initiatives. These include:

- Land purchase programs
- Development of Reservations and MFLs for water bodies
- Establishment of allowable nutrient inputs to the Everglades Protection Area, Lake Okeechobee and other bodies of water
- Regulatory activities
- Construction projects
- Major regional restoration efforts, such as Kissimmee River Restoration and the Comprehensive Everglades Restoration Plan

These environmental concerns and water-related issues establish the backdrop and context for development of the District's annual budget.

Please see the Work Plan and Budget section for detail regarding the restoration and protection programs in the District's FY2005 budget.

Glossary

A

ACCRETION

Accretion is the growth or increase in size caused by gradual external addition, fusion or inclusion.

ACCRUAL

Accrual is a method of accounting in which revenues are recorded when measurable (known) and earned, and expenses are recognized when goods or services are used. This method is not limited to a time period.

ADOPTED BUDGET

The District's adopted budget is a fiscal-year financial plan that details Governing-Board approved revenues and expenditures.

AD VALOREM TAX

An ad valorem tax is imposed on real and personal property at values certified by the property appraiser in each county.

ADVANCED TREATMENT TECHNOLOGIES (ATT)

Advanced Treatment Technologies is a research program that identifies water-quality treatment technologies that meet the long-term water quality standards for the Everglades. These technologies range from low-maintenance constructed wetlands to full chemical treatment for the removal of phosphorus.

ALTERNATE WATER SUPPLY (AWS)

The Alternative Water Supply project searches for new methods to meet the demands for water. These include aquifer storage and recovery, and wastewater reuse technologies.

AMENDMENT

An amendment is a change to an adopted budget. It can increase or decrease a fund total.

APPROPRIATION

An appropriation is an authorization granted by the Governing Board to make expenditures and to incur obligations for specific purposes as set forth in the budget.

AQUIFER

An aquifer is an underground bed or layer of earth, gravel or porous stone that yields water.

AQUIFER STORAGE AND RECOVERY (ASR)

Aquifer Storage and Recovery is the practice of storing water in aquifers in times of abundant rainfall and withdrawing it to meet emergency or long-term water demands.

ASSESSED VALUATION

An assessed valuation is a value established by the property appraiser in each county for real and personal property. It is used as a basis for levying ad valorem property taxes.

AUTOMATED REMOTE DATA ACQUISITION SYSTEM (ARDAS)

The Automated Remote Data Acquisition System is used to model instrument performance with synthetic samples of known concentrations. The information obtained is used to determine unknown sample concentrations.

B

BERM

A berm is a shelf or flat strip of land adjacent to a canal.

BEST MANAGEMENT PRACTICES (BMP)

Best Management Practices are the best available techniques or processes that reduce pollutant loading from land use or industry, or that optimize water use.

BOND

A bond is a security, usually long-term, representing money borrowed from the investing public.

BUDGET

A budget is a resource allocation plan for the accomplishment of programs related to established objectives and goals within a definite period.

C**CAPITAL IMPROVEMENTS PLAN (CIP)**

The District's Capital Improvements Plan is a budget plan that includes expenditures, anticipated revenues and descriptions for all capital projects over a five-year period.

CAPITAL PROJECT

A capital project is an individual facilities and/or land-acquisition fixed-capital project identified in the five-year Capital Improvements Plan.

COASTAL IMPACT ASSISTANCE PROGRAM (CIAP)

The Coastal Impact Assistance Program uses federal appropriations allocated to the states to fund various projects in coastal areas. The funds allocated to Florida are administered by Florida Department of Environmental Protection program, and the program is administered by the National Oceanic and Atmospheric Association.

COASTAL ZONE MANAGEMENT (CZM)

Coastal Zone Management examines the causes of climate and related changes and their affects.

CONSUMPTIVE USE PERMITTING (CUP)

Consumptive Use Permitting regulates groundwater and surface water withdrawals by major users, such as water utilities, agricultural concerns, nurseries, golf courses, mining and other industrial users.

CONTINGENCY RESERVES

Contingency reserves are monies set aside, consistent with statutory authority, which can subsequently be appropriated to meet unexpected needs.

CRITICAL RESTORATION PROJECTS (CRP)

Critical Restoration Projects produce immediate and substantial ecosystem restoration, preservation and protection benefits, and are consistent with Federal programs, projects and activities.

CULVERT

A culvert is a drain crossing under a road or railroad.

D**DEBT PER CAPITA**

Debt per capita is the amount of net tax-supported debt divided by the population, resulting in a dollar amount of debt per person.

DISBURSEMENT

A disbursement is cash payment for goods or services procured by the District.

DISCRETIONARY FUNDS

Discretionary funds are revenues available for expenditures that are not statutorily or otherwise committed to a specific project. These funds are primarily ad valorem revenue.

DISTRICT WATER MANAGEMENT PLAN (DWMP)

The District Water Management Plan defines the District's role in water resource management; and provides comprehensive, long-range guidance for implementation of District responsibilities under state and federal laws.

DOCUMENTARY TAX STAMP

The documentary tax stamp is an excise tax levied on mortgages recorded in Florida, real property interests, original issues of stock, bonds and debt issuances in Florida, and promissory notes or other written obligations to pay money.

E**ENCUMBRANCE**

An encumbrance is the legal obligation of appropriated funds for future expenditures.

ENTERPRISE DATA MANAGEMENT STRATEGY (EDMS)

An Enterprise Data Management Strategy is a plan to provide the technology and infrastructure to facilitate integration of diverse system applications, and improve information flow throughout the organization.

ENVIRONMENTAL MONITORING AND ASSESSMENT (EMA)

Environmental Monitoring and Assessment is the term that identifies long-range monitoring of networks to collect, analyze, interpret and disseminate scientific and legally defensible environmental data.

ENVIRONMENTAL RESOURCE PERMIT (ERP)

Environmental Resource Permits are issued to protect the regional water resources of the District. The permitting system addresses protection of water supply, water quality, flood protection, flood plain management and natural ecosystems.

EVAPOTRANSPIRATION

Evapotranspiration is a combination of transpiration (vapor rising from the pores of plants) and evaporation from water and land surfaces.

EVERGLADES NUTRIENT REMOVAL (ENR)

The Everglades Nutrient Removal (ENR) project is a manmade wetland designed to remove phosphorus from agricultural runoff water before it enters the Loxahatchee National Wildlife Refuge, also known as Water Conservation Area 1.

EXPENDITURE

An expenditure is the disbursement of appropriated funds to purchase goods or services.

F**FISCAL YEAR**

A fiscal year is a 12-month period for which the annual budget is developed and implemented. The fiscal year for the District begins October 1 and ends September 30.

FTE

An FTE is a "Full-Time Equivalent," which is a measurement of labor, both planned and utilized. One FTE is equivalent to one full-time employee who works 40 hours per week for 52 weeks, for a total of 2,080 work hours.

FUND

A fund is a fiscal and accounting entity with a self-balancing set of accounts. These accounts record cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE

In this document, a fund balance is defined as an on-hand cash balance from prior fiscal years that is available for designation as a funding source for a future budget year. This is in contrast to the definition found in the District's Comprehensive Annual Financial Report, which defines fund balance as the difference between assets and liabilities reported in a governmental fund.

G**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)**

Generally Accepted Accounting Principles (GAAP) are uniform minimum standards and guidelines for financial accounting and reporting. Currently, the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB) and the Federal Accounting Standards Advisory are authorized to establish these principles.

H**HOMESTEAD EXEMPTION**

A homestead exemption is a \$25,000 discount applied to the assessed value of a property. Every person who has legal title to a residential property and lives there permanently as of January 1 of the application year qualifies to apply for a homestead exemption.

HYDROLOGY

Hydrology is the scientific study of the properties, distribution and effects of water on the earth's surface, in the soil and underlying rocks, and in the atmosphere.

HYDROPERIOD

A hydroperiod is the average duration of flooding for non-tidal wetlands.

I**INSPECTOR GENERAL**

The Inspector General provides an independent view of District operations through objective and professional audits, investigations, reviews and evaluations of the economy and efficiency of taxpayer-financed programs. This information is then made available to the District Governing Board and management, elected representatives, and citizens within the District's boundaries.

L**LEASED POSITIONS**

Leased positions represent leasing-agency employees who perform project-specific tasks of limited duration.

LEVEE

A levee is an embankment used to prevent or confine flooding.

M**MANAGERIAL RESERVES**

A managerial reserve is an account used to earmark a portion of fund equity as legally segregated for a specific future use.

MILL

One mill equals \$1 of tax for each \$1,000 of taxable value.

MITIGATION

Mitigation alleviates a condition in force or intensity.

MODIFIED ACCRUAL

Modified accrual is a method of accounting that recognizes expenses when goods or services are received. Revenues, such as taxes, are recognized when measurable (known) and available (received) to pay expenditures in the current accounting period.

N**NAVIGATIONAL LOCK**

A navigational lock is an enclosure used to raise or lower boats from one level to another.

P**PERFORMANCE MEASURES**

Performance measures are specific quantitative measures of work performed, outputs and outcomes.

PHOSPHORUS TRANSPORT MODEL (PTM)

A Phosphorus Transport Model estimates the effectiveness of phosphorus load-reduction strategies. This information is used by District programs to meet their respective goals.

POLLUTANT LOAD REDUCTION GOAL (PLRG)

A Pollutant Load Reduction Goal establishes the desired levels of nutrient and sediment loads for healthy seagrass growth and distribution.

PUMP STATIONS

Pump stations are manmade structures that use pumps to transfer water from one location to another.

R**RESERVES**

Reserves are funds designated for specific purposes, or for emergencies and other unexpected expenditures.

REVENUE

Revenue is the term used for monies received from all sources (with the exception of fund balances) that will be used to fund expenditures in a fiscal year.

RESTRICTED FUNDS

Restricted funds are revenues committed to a project or program, or that are restricted in purpose by law. Examples of restricted funds include state appropriations for stormwater projects and federal FEMA capital project funds.

ROLLED-BACK RATE

The rolled-back rate is a millage rate that generates the same tax revenue as last year, exclusive of new construction. The rolled-back rate reflects changes in the market value of property.

S**SPECIAL OBLIGATION LAND ACQUISITION BONDS**

Special Obligation Land Acquisition Bonds are securities issued by the District to provide funds for acquisition of environmentally sensitive lands. Principle and interest on these bonds are secured by a lien on documentary-stamp excise taxes collected by the state of Florida.

SPILLWAY

A spillway is a passage for surplus water to run over or around an obstruction, such as a dam.

STORAGE AREA NETWORK (SAN)

A Storage Area Network is the term for a group of servers that have been linked together to form greater disk space.

STORMWATER TREATMENT AREA (STA)

A Stormwater Treatment Area is a manmade wetland area used to treat urban and agricultural runoff water before it is discharged to natural areas.

STRUCTURE INFORMATION VERIFICATION (STRIVE)

The Structure Information Verification project was established to verify input data used to compute flow at District water control structures.

SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM (SCADA)

The Supervisory Control and Data Acquisition System gathers data from remote locations to control equipment and conditions. The SCADA system includes hardware and software components. The hardware gathers and feeds data into a computer that has SCADA software installed. The computer then processes this data, records and logs all events, and warns when conditions become hazardous.

SURFACE WATER IMPROVEMENT AND MANAGEMENT (SWIM)

Surface Water Improvement and Management is a comprehensive statewide program, established in 1987 by Florida law. SWIM is used to restore and protect priority surface waters that are of state or regional significance.

T**TOPOGRAPHY**

Topography is the term used for the surface features of a place or region.

TRANSPIRATION

Transpiration is the rising of vapor containing waste products through the pores of plant tissue.

TRUTH IN MILLAGE (TRIM)

Truth in Millage is a statute adopted by the Florida legislature that establishes a specific timetable and procedure for local governments to adopt their annual millage rates and budgets.

W**WATERSHED**

A watershed is the divide separating one drainage area from another. The term commonly refers to the entire area that water flows across, under and through on its way to a common body of water. In hydrologic terms, a watershed is a land area that delivers runoff water, sediment and dissolved substances to a major river and its tributaries.

WATER TABLE

A water table is the upper surface of the saturation zone in an aquifer.

WEIR

A weir is a dam in a stream, used to raise the water level or divert its flow.

Acronyms and Abbreviations

ADA	Americans with Disabilities Act
AOR	Area of Responsibility
ARDAS	Automated Remote Data Acquisition System
ASR	Aquifer Storage and Recovery
ATT	Advanced Treatment Technologies
AWS	Alternate Water Supply
BAT	Best Available Technology
BCB	Big Cypress Basin
BFAC	Budget and Finance Advisory Commission
BMP	Best Management Practice
C&SF	Central and Southern Florida Project
CAFR	Comprehensive Annual Financial Report
CARL	Conservation and Recreation Lands Trust Fund
CCPCD	Collier County Pollution Control Department
CCTV	Closed Circuit Television Cameras
CERP	Comprehensive Everglades Restoration Plan
CES	Center for Environmental Studies
CIAP	Coastal Impact Assistance Program
CIP	Capital Improvements Plan
COE	U.S. Army Corps of Engineers (also known as USACE)
CREW	Corkscrew Regional Ecosystem Watershed
CRP	Critical Restoration Projects
CSOP	Combined Structural and Operational Plan
CUP	Consumptive Use Permitting
CZM	Coastal Zone Management
DED	Deputy Executive Director
DEP	Department of Environmental Protection
DOI	Department of Interior
DWMP	District Water Management Plan
EAA	Everglades Agricultural Area
EAP	Employee Assistance Program
EAR	Evaluation and Appraisal Reports
EASTCOM	Emergency Satellite Communications System
ECP	Everglades Construction Project
EDM	Enterprise Data Management Strategy
EEO	Equal Employment Opportunity
EFA	Everglades Forever Act
EMA	Environmental Monitoring and Assessment
EMPACT	Environmental Monitoring Public Access Community Tracking
EMRTF	Ecosystem Management and Restoration Trust Fund
ENP	Everglades National Park
ENR	Everglades Nutrient Removal
EOC	Emergency Operations Center
EPA	Everglades Protection Area
ERC	Environmental Regulation Commission
ERP	Environmental Resource Permitting

ESCO	Environmental Studies and Community Outreach
ESDA	Electronic Support and Data Acquisition
ESP	Everglades Stormwater Program
F.A.C.	Florida Administrative Code
FCD	Central and Southern Florida Flood Control District
FDACS	Florida Department of Agricultural and Consumer Services
FDEP	Florida Department of Environmental Protection
FDLE	Florida Department of Law Enforcement
FDOT	Florida Department of Transportation
FEMA	Federal Emergency Management Agency
FFA	Florida Forever Act
FFWCC	Florida Fish and Wildlife Conservation Commission
FGCU	Florida Gulf Coast University
FHREDI	Florida Heartland Rural Economic Development Initiative
FKFBFS	Florida Keys/Florida Bay Feasibility Study
FMLA	Family Medical Leave Act
FOC	Field Operations Center
FP&L	Florida Power and Light
F.S.	Florida Statutes
FTE	Full Time Equivalent
FWP	Florida Water Plan
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GB	Governing Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
ICMS	Integrated Contract Management System
IFAS	Institute of Food and Agriculture Sciences
IRL	Indian River Lagoon
IT	Information Technology
KICCO	Kissimmee Island Cattle Company
KOE	Kissimmee-Okeechobee-Everglades
KRR	Kissimmee River Restoration
KRREP	Kissimmee River Restoration Evaluation Program
LEC	Lower East Coast
LGFS	Local Government Financial System
LO	Lake Okeechobee
LOADSS	Lake Okeechobee Agricultural Decision Support System Model
LOPP	Lake Okeechobee Protection Program
LPO	Locally Preferred Option
LWC	Lower West Coast
LWCWSP	Lower West Coast Water Supply Plan
MFL	Minimum Flows and Levels
MGD	Million Gallons per Day
MIS	Management Information System
MOU	Memorandum of Understanding
NPB	North Palm Beach

O&M	Operations and Maintenance
OIG	Office of Inspector General
OSHA	Occupational Safety and Health Administration
P2000	Preservation 2000
PIR	Project Implementation Report
PLRG	Pollutant Load Reduction Goal
PMP	Project Management Plans
ppb	parts per billion
PPDR	Pilot Project Design Report
PRLG	Pollutant Reduction Load Goals
PSTA	Periphyton-based Stormwater Treatment Area
PTM	Phosphorus Transport Model
QA	Quality Assurance
RECOVER	Restoration Coordination and Verification
RESTUDY	Central and Southern Florida Project Comprehensive Review Study
RFP	Request for Proposals
ROW	Right of Way
SAN	Storage Area Network
SAP	System Application and Programs
SC	Service Center
SCADA	Supervisory Control and Data Acquisition System
SDE	Spatial Database Engine
SFWMD	South Florida Water Management District
SGGE	Southern Golden Gate Estates
SOP	Standard Operating Procedures
SOR	Save Our Rivers
STA	Stormwater Treatment Area
STRIVE	Structure Information Verification
SWIM	Surface Water Improvement and Management
TBD	To Be Determined
TMDL	Total Maximum Daily Load
TRIM	Truth in Millage
UEC	Upper East Coast
USACE	U.S. Army Corps of Engineers (also known as COE)
USDA	United States Department of Agriculture
USFWS	U.S. Fish and Wildlife Service
WASP	Water Augmentation Supply Potential Model
WCA	Water Conservation Area
WMIS	Water Management Information System
WMLTF	Water Management Lands Trust Fund
WOD	Works of the District
WPA	Water Preserve Area
WRAC	Water Resource Advisory Commission
WRDA	Water Resources Development Act
WRM	Water Resource Management
WSE	Water Supply for the Environment

A Guide to Other Useful Documents

District Water Management Plan

The District Water Management Plan represents a comprehensive examination of the myriad water supply, flood protection, water quality and natural systems management issues throughout the 16-county South Florida region. The plan, which is updated every five years, is intended to serve as a direction-setting document and a communications tool. It is also a source of technical information for local governments seeking guidance on water resource issues.

Strategic Plan

The 10-year Strategic Plan outlines priorities established by the District Governing Board and provides the blueprint for implementing programs that address those priorities. The plan includes an overview of South Florida water and ecosystem needs, a description of the strategic planning process, and details regarding District programs and strategic priorities.

FY2005 Annual Work Plan

The FY2005 Annual Work Plan is a detailed work plan that “drills down” from the high level of the Strategic Plan. The document includes the major District projects planned for FY2005, key assumptions used to develop the Work Plan and highlights of the inter-relationships between programs.

Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report contains the District’s audited general-purpose financial statements. It also includes supplemental financial information on individual funds and account groups, as well as financial and non-financial data and trends.

Budget in Brief

The Budget in Brief brochure provides budget highlights for the current fiscal year, including revenue and expenditure summaries, and tax rates. It also gives an overview of the District’s mission, history, strategic goals and general operations.

2005 South Florida Environmental Report, Volumes I and II

The South Florida Environmental Report (SFER) is a product of a major consolidation process authorized on May 12, 2004 by the Florida legislature, in Laws of Florida, Chapter 2004-53. This legislation directs the District to undertake a pilot project to consolidate mandated plans and reports to the Florida legislature and the governor. The report includes the FY2005 Capital Improvements Plan and is scheduled for submission to the legislature on February 15, 2005.

Fifty-Year Asset Replacement/Refurbishment Plan

The 50-Year Asset Replacement/Refurbishment Plan is developed by the Operations and Maintenance functional unit as a high-level financial plan. The plan identifies C&SF components and related annual financial needs, including staffing and contracts. The document also incorporates smaller plans for the maintenance and replacement of culverts, canals, levees, berms, structures and pump stations.

These documents may be requested through our Web site, located at <http://www.sfwmd.gov>. Click the “Who to Contact” link for instructions.

The documents may also be requested by phone or mail:

1 (800) 432-2045 (Florida only) or (561) 686-8800

South Florida Water Management District

P.O. Box 24680

West Palm Beach, FL 33416-4680

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Paul Dumars

Chief Financial Officer

Aaron Basinger

Deputy Director, Finance and Administration

Douglas Bergstrom

Budget Director

Budget Staff

Mary Lou Cariello
Budget Supervisor

Greg Rogers
Lead Financial Analyst

Marcie Daniel
Senior Budget Analyst

Victor Lopez
Senior Budget Analyst

David Gilpin-Hudson
Lead Planner

Steve Poonaisingh
Senior Budget Analyst

Candida Heater
Budget Analyst

Maria Corona
Associate Budget Analyst

Tanya Vaughn-Patterson
Associate Budget Analyst

Laura Sweet
Senior Administrative Assistant

Production Staff

Marcie Daniel
Project Manager

Martha Blumel
Graphic Designer

Carla Chadwick
Editor and Creative Director

Patrick Lynch
Photography

Other Staff

Patti Nicholas
Contributing Writer

Frank Mumby IV
Senior Accountant



sfwmd.gov

South Florida Water Management District
3301 Gun Club Road
West Palm Beach, Florida 33406
561-686-8800 • FL WATS 1-800-432-2045
www.sfwmd.gov

MAILING ADDRESS: P.O. Box 24680
West Palm Beach, FL 33416-4680